

MINUTES OF REGULAR MONTHLY MEETING
OF
THE BOARD OF DIRECTORS OF K.C. ELECTRIC ASSOCIATION

A regular meeting of the Board of Directors of K.C. Electric Association was held in Hugo, Colorado on Tuesday, September 26th, 2017 at the hour of 4:00 p.m. The meeting was called to order by President Kevin Penny. The following Members were present and constituted a quorum:

Kevin Penny	Dan Mills	Dave Ritchey
Terry Tagtmeyer	Luanna Naugle	Wayne Parrish
Bob Bledsoe	Marvin Thaller	Jim Michal

Also present were General Manager David Churchwell, Operations Manager Paul Norris, Member Service/IT Specialist George Ehlers, Chief Financial Officer Bo Randolph, and Attorney Jeff Cure.

Approval of Minutes: It was unanimously approved to accept the minutes for the regular meeting of the Board of Directors on August 22, 2017.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for October 24, 2017 at 4:00 p.m. in Stratton, Colorado.

Public Presentations and Member Comments: Deb Daniel from the Republican River Water Conservation District (RRWCD) discussed the history of the republican river and current issues affecting the RRWCD.

Disbursements Report: The Disbursements Report of the Association for August 2017 was reviewed and, after the Board had an opportunity to review and ask questions, President Penny declared the Disbursements Report as an informational item requiring no Board action.

Emergency Items: None

Operational Policies: Up for review were Policy #100, Policy Origin and Approval; Policy #437, Drug-Free Workplace; and Policy #515, Identity Theft Protection. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policy #100, #437, and #515 are approved as presented.”

Approval of Long Term Borrowing: Mr. Churchwell and Mr. Randolph presented information on K.C.’s current cash flow, debt, and equity levels. After discussion, the following resolution was unanimously approved:

“BE IS RESOLVED: That management is hereby authorized to submit the required documents to RUS to draw down \$3,000,000 from our Z8 loan.”

Youth Trip/Scholarship Programs: Mr. Churchwell presented information on the NRECA youth trip, Colorado Leadership Camp, and current K.C. Electric scholarship program. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That K.C. Electric will not participate in the NRECA youth trip in 2018 and will add three \$750 scholarships to our 2018 scholarship program.”

Colorado NRECA Delegate and Alternate: Mr. Churchwell presented information on the Colorado NRECA meeting occurring in October. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Mr. Mills is elected to serve as the Association’s Colorado NRECA delegate, and Ms. Naugle is elected to serve as the Association’s alternate Colorado NRECA voting delegate.”

Special Equipment Summary: After review and discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the Special Equipment Summary in the amount of \$32,035.95 is hereby approved.”

Inventory of Work Orders: After review and discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the Inventory of Work Order #433 in the amount of \$828,282.01 is hereby approved.”

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, identity theft program annual review, CAMU survey results, and the 2018 budget.

Staff Reports: Staff made the following reports and answered Board questions:

- a. Mr. Randolph presented a slideshow of the financial report for August 2017.
- b. Mr. Norris reported there were no First Report of Injury and no Near Misses in the past month. A recap was given of the safety meetings held in Stratton and Hugo.
- c. Mr. Norris discussed maintenance and construction projects completed in August including the installation of new substation transformers in the Hugo substation, and the three-phase line rebuild project north of Burlington.
- d. Mr. Ehlers referenced his report in the Board packet which summarized activities of Member Services and IT for August. K.C. participated in Farm Safety day held at the fairgrounds in Hugo by conducting high voltage demonstrations for the attendees.

CREA Report: Mr. Mills discussed repairs made to CREA’s office, the upcoming CREA fall meeting, and 2018 legislative activities.

WUE Report: Mr. Mills referenced his report in the packet and reported that sales continue to remain strong and current sales backlog are at record levels.

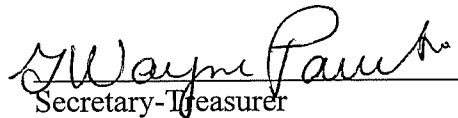
Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and discussed the Southwest Power Pool, Tri-State’s commercial paper program, and an extensive risk assessment conducted on Tri-State by a consultant.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 8:05 p.m.

APPROVED:



President



Secretary-Treasurer