

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

A regular meeting of the Board of Directors of K.C. Electric Association, Inc. was held in Hugo, Colorado on Tuesday, March 24 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	Luanna Naugle	Wayne Parrish
Robert Bledsoe	Marvin Thaller	Jim Michal
Dave Ritchey	Dan Mills	

Also present were General Manager David Churchwell, Operations Manager Paul Norris, Member Service Specialist Ben Orrell, CFO Bo Randolph, Accountant Sue Dutro, Data Processing Supervisor Kristie Constance and Attorney Jeff Cure.

Approval of Minutes: It was unanimously approved to accept the minutes for the regular meeting of the Board on February 24, 2015.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for April 28, 2015 at 4:00 p.m. in Hugo, Colorado.

Public Comments: None.

Check Register Review: The Check Register of the Association for February 2015 was reviewed and, after the Board had an opportunity to review and ask questions, President Penny declared the Check Register as an informational item requiring no Board action.

Emergency Items: The Board discussed and determined that the supervisory capacity of the Hugo office that the board president had assumed in the absence of the General Manager and CFO was outside the regular realm of the presidents responsibilities. The board determined that appropriate compensation for the additional responsibilities would be paid under contract labor. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That K.C. Electric will compensate Kevin Penny at the rate of \$150 per day for the nine days he spent as a supervisor on behalf of K.C. Electric during the period of time that a General Manager and Chief Financial Officer were not employed by K.C. Electric.”

Rate Tariffs: Mr. Churchwell discussed the minor wording changes for Rate Tariffs 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and R. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: Minor Wording changes on Rate Tariffs 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and R are hereby approved.”

Staking Engineer Pickup Replacement: Mr. Paul Norris discussed the replacement of the staking engineer pickup. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase a 2015 F-150 pickup from Burlington Ford Lincoln for \$ 23,089.88.”

Annual Meeting Nomination Ratification: The Board reviewed the Certificate of Nominees provided by the Nominating Committee. The Committee nominated Luanna Naugle and Cliff Roberts from Cheyenne County, and Jim Michal, Terry Tagtmeyer and Brad Grimes from Kit Carson County. After review, the following resolution was unanimously approved:

“BE IT RESOLVED: That the Certification of Nominees for the Position of a Board Member on the Board of K.C. Electric for the Year 2015 is hereby approved as presented.”

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

“BE IT RESOLVED: That the Special Equipment Summary is hereby approved in the amount of \$ 38,526.58.”

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

“BE IT RESOLVED: That the Inventory of Work Orders #413 for \$160,412.31 and Work Orders #414 for \$ 88,706.34 is hereby approved.”

Tri-State Proposed Amendment: After review and discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That K.C. Electric is opposed to the proposed Tri-State bylaw change to Article XII.

Board Member Robert Bledsoe recused himself from this discussion and resolution.

FERC Protest Letter: After review and discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the Board of Directors of K.C. Electric shall approve the letter sent to FERC opposing the DMEA Petition for Declaratory Order in FERC Docket Number EL15-43.”

General Managers Report: Mr. Churchwell reported on the following: Tri-State rate committee, idle service policy, office security and recent telephone scams affecting K.C.’s service area.

Staff Reports:

- a. Mr. Churchwell provided the financial summary for February.
- b. Mr. Norris reported that there were no First Reports of Injury and no Near Misses in February. The safety manual sub-committee met in Stratton. An update was given on the safety meeting held in Stratton.
- c. For the Operations report Mr. Norris reported on a few outages and ongoing maintenance that is being completed.
- d. Mr. Orrell referenced his report in the Board packet which summarized activities of Member Services for February.

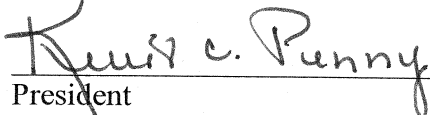
CREA Report: Mr. Mills reported that CREA is monitoring a number of bills that are working their way through the legislature.

WUE Report: Mr. Mills referenced the WUE Report in the Board packet and discussed strong sales for WUE this fiscal year.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and discussed, among other things the upcoming Tri-State annual meeting.

Adjournment: President Penny declared the meeting adjourned at 7:45 p.m.

APPROVED:

  
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President

  
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Secretary-Treasurer