

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, July 28, 2015 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	Terry Tagtmeyer	Marvin Thaller
Dan Mills	Luanna Naugle	Robert Bledsoe
Dave Ritchey	Wayne Parrish	Jim Michal

Also present were General Manager David Churchwell, Operations Manager Paul Norris, Member Service Specialist Ben Orrell, Apprentice lineman Nick Taylor and Attorney Jeff Cure.

Approval of Minutes: It was unanimously approved to accept the minutes for the regular meeting of the Board on June 23, 2015.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for August 25, 2015 at 4:00 p.m. in Stratton, Colorado.

Public Comments: None.

Disbursements Report: The Disbursements Report of the Association for June 2015 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 #118, Whistleblower Protection; Policy #500, Capital Credits; Policy #501, Member Deposits; Policy #502, Disclosure of K.C. Electric and Member Information; Policy #503, Vandalism Reward; Policy #504, Donations and Contributions; and Policy #505, Member Complaints and Related Matters. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policies #500, #501, #503, #504, and #505 are approved as presented.”

CARE 527 Donation Request: Mr. Churchwell presented a letter from CARE requesting the Board to consider donating to the CARE 527 membership account. After discussion the following resolution was unanimously approved:

“BE IT RESOLVED: That the Association will donate \$ 2,000 to the CARE 527 membership account for 2015 and will annually review CARE 527 contributions.”

Bids for Cost of Service Study and Rate Design: Mr. Churchwell presented three vendor proposals to provide a cost of service study along with rate design for K.C. Electric. After discussion the following resolution was unanimously approved:

“BE IT RESOLVED: That K.C. Electric management is hereby authorized to sign an agreement with The Prime Group, LLC for the purpose of conducting a Cost of Service Study and Rate Design.”

CoBank Resolution: Mr. Churchwell presented a resolution from CoBank giving CFO Bo Randolph the authority to conduct business on behalf of K.C. Electric. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: Bo Randolph is authorized to conduct business on behalf of K.C. Electric with CoBank.”

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

“BE IT RESOLVED: That the Special Equipment Summary is hereby approved in the amount of \$ 9,340.55.”

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

“BE IT RESOLVED: The Inventory of Work Orders #417, in the amount of \$ 79,071.33 is hereby approved.”

General Manager’s Report: Kristie Constance and Jodi Withington presented an update on our pre-pay program to the Board of Directors. Mr. Churchwell reported on the following: Tri-State updates which included the latest information regarding the Colowyo and Trapper mines, Tri-State rate design progression, Tri-State 2016 budget and San Juan Generation station restructuring. Mr. Churchwell also reported on K.C.’s 2014 IRS form 990 and upcoming CREA and NRECA meetings.

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

- a. Mr. Churchwell presented a slideshow of the financial report for June 2015.
- b. Mr. Norris reported that K.C. Electric was presented an award during the CREA Loss Control Seminar for working 2014 with no lost time accidents. Mr. Norris reported there were no First Reports of Injury or Near Misses in the past month. A recap was given of the safety meeting held in Stratton.
- c. Mr. Norris introduced new Stratton apprentice lineman Nick Taylor, reported on recent system damage incurred due to severe weather and gave an update on the work completed by K.C. crews in the past month.
- d. Mr. Orrell referenced his report in the Board packet which summarized activities of Member Services for June 2015. Mr. Orrell also presented a letter from Elizabeth Grimes thanking K.C. for selecting her to attend the Washington D.C. youth tour.

CREA Report: Mr. Mills reported on the recent CREA board meeting and discussed recent committee and board member changes.

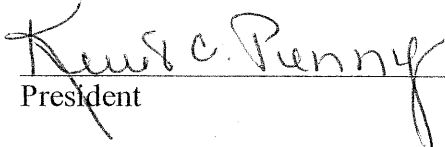
WUE Report: Mr. Mills referenced his report in the packet and noted that WUE continues to have very strong sales.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and noted the Governor of Wyoming will be attending a future Tri-State Board of Directors meeting to thank them for Tri-State’s continued support and participation in projects located in Wyoming.

Miscellaneous Business: Mr. Bledsoe reported on the CoBank Directors conference that he recently attended.

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

APPROVED:



President



Secretary-Treasurer