

MINUTES OF THE 81st ANNUAL MEMBERSHIP MEETING

Lake City Church, Coeur d'Alene, Idaho

May 13, 2019

Doors opened at 5:00 p.m. for registration at the 81st Annual Membership Meeting of Kootenai Electric Cooperative.

The Operation Round Up video was the introduction to the meeting.

KEC Board Chairman Swick announced that a quorum was present and called the meeting to order at 6:05 p.m. Board Secretary Roger Tinkey gave the invocation. Girl Scout Troop 3061 presented the colors and led the membership in the Pledge of Allegiance.

Member Services Manager Gery Hirsch facilitated the membership meeting and introduced special guests, including former KEC directors. Gery explained the director election was conducted online and by mail only this year. This decision was made by the board to help ensure the timeliness and integrity of the voting process without unnecessarily extending the Annual Meeting. Results will be shared later in the meeting.

Chairman Swick introduced KEC General Manager Douglas Elliott, General Counsel Brent Schlotthauer and members of KEC's Board of Directors: Dave Bobbitt, Todd Hoffman, Crystal Musselman, Tim Meyer, Jim Robbins and Roger Tinkey. Chairman Swick introduced the members of the Nominating Committee: Kim Ann Erk, Bill Boekel, Kathy See, Mary Mink, Ed Gossett, Terry Harwood and Joy Crupper. Chair Swick also introduced the members of the Credentials and Elections Committee: Bill Gabica, Bob Schwarzkopf, Craig Borrenpohl, Tim Penberthy, David Odgers, Jan Somers and Casey Amy.

Chairman Swick appointed General Counsel Brent Schlotthauer as Parliamentarian and KEC Executive Assistant Constance Felten as Recording Secretary.

Chairman Swick informed the membership that, like last year, this year's meeting minutes would be posted on the KEC website for comment for a period of 60 days, after which they would be approved by the Board of Directors.

Audit Committee Chair Dave Bobbitt presented the treasurer's report and provided a summary of the Cooperative's 2018 audit performed by the auditing firm of Moss Adams. The purpose of the audit is to express an opinion on the financial statements of the Cooperative for the year 2018. In the opinion of Moss Adams, the financial statements present fairly, in all material respects, the financial position of Kootenai Electric Cooperative and were made in accordance with generally accepted accounting principles and in compliance with all federal regulations.

General Manager Elliott's annual presentation focused on growth in the community and the ongoing work by the cooperative in support of that growth. In addition to the cooperative's continuing work through FEMA grants to underground over 50 miles of the utility's oldest, most remote and outage prone lines, KEC recently completed a complete renovation of its Scarcello substation to improve reliability. GM Elliott discussed the cooperative's strategic performance measures as a tool to track how well it is implementing its strategic plan, and also reported on the cooperative's financial year.

The video Growing with Our Community was viewed by the membership.

Board Chair Bill Swick discussed some of the important issues surrounding power supply, including how the Bonneville Power Administration currently prices the power it sells to the cooperative, the current and future power supply options available to KEC and the power purchasing decisions KEC will have to make when its current contract with Bonneville expires.

Nominating Committee Chair Ed Gossett presented the Nominating Committee report. The objective of the Nominating Committee is to ensure the most qualified people are nominated for election to the Board of Directors and to do this consistent with the Bylaws and any other applicable legal requirements. The following nominations were made:

<u>By Committee:</u>	District #1:	Tim Meyer (incumbent) Terry LaLiberte
	Director At Large:	Roger Tinkey (incumbent) Greg Hart

Bill Gabica, Chairman of the Credentials & Elections Committee announced the results of the contested election for the director positions. Chairman Swick declared Mr. Meyer and Mr. Tinkey elected to the District 1 and District At Large positions.

Following the election report, several prizes, including the Grand Prize were awarded.

On behalf of the Board of Directors, Chairman Swick thanked the membership for attending the Annual Meeting and for their continued support of the Cooperative. He invited members to meet with Cooperative senior management and the Board of Directors for a Member Feedback and Question Session immediately following the meeting. Chairman Swick adjourned the meeting at 7:15 p.m.

I, Roger Tinkey, Secretary to the Board of Directors of Kootenai Electric Cooperative, Inc., do hereby certify that the foregoing is a true and correct copy of the minutes of the 81st Annual Membership Meeting of Kootenai Electric Cooperative, Inc., held at the Lake City Community Church, Coeur d'Alene, Idaho, this 13th day of May 2019 as it appears in the minute book of the cooperative and that they have not been rescinded.

Roger Tinkey, Secretary

Date of Approval