

MINUTES OF THE 77th ANNUAL MEMBERSHIP MEETING

Lake City Community Church, Coeur d'Alene, Idaho

May 5, 2015

Doors opened for the 77th Annual Membership Meeting of Kootenai Electric Cooperative at 5:00 p.m. for registration and visiting the exhibits which included energy efficiency with Smart Power Strip giveaways and vegetation management.

The Power is Yours Membership video served as the introduction to the meeting.

KEC Board Chairman Bill Swick called the meeting to order at 6:05 p.m. Director Roger Tinkey gave the invocation. Cub Scout Pack 226 presented the colors and led the membership in the Pledge of Allegiance.

Energy Services Program Administrator Don Crawford facilitated the membership meeting and introduced special guests, including former KEC directors and representatives from affiliated businesses, organizations and cooperatives.

Chairman Swick introduced KEC General Manager Douglas Elliott, General Counsel Brent Schlotthauer and members of KEC's Board of Directors: Ron Bockstruck, David Bobbitt, Todd Hoffman, Terry LaLiberte, Jim Robbins and Roger Tinkey. Chairman Swick introduced the members of the Nominating Committee: Tim Meyer, Kathy See, Shirley Jones, Mary Mink, Ed Gossett, Kim Erk and Joy Crupper. Chair Swick also introduced the members of the Credentials and Elections Committee: Don Gardner, Jim Mader, Rob Wert, Phil Cooper, Casey Amy, David Odgers and Roger Walton.

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

Chairman Swick read the notice of the annual meeting and proof of mailing. Chairman Swick announced that a quorum was present. Chairman Swick then called for corrections to the 2014 Annual Meeting minutes. Hearing none, he declared the minutes approved as presented.

Audit Committee Chair Bockstruck presented the treasurer's report and provided a summary of the Cooperative's 2014 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 2014. 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.

Nominating Committee member Kim Erk 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 #2:	Jim Robbins
	District #5:	Bill Swick
	District at Large:	Terry LaLiberte

All three incumbent candidates were running unopposed so in accordance with the Cooperative's Bylaws Chair Swick declared Mr. Robbins, Mr. LaLiberte and himself re-elected to the Kootenai Electric Cooperative Board of Directors by acclamation.

General Manager Elliott briefly reviewed the proposed changes to the Cooperative's Bylaws that each member had received in the mail and responded to questions. Following the questions, members of the Credentials & Elections Committee collected the paper ballots from the attending membership.

General Manager Elliott updated the membership on local and regional industry events and the state of the Cooperative. He provided an overview of the Cooperative's financial performance for the prior year as well as an overview of increasing power costs and efforts made by the Cooperative to control those costs. He also reviewed the recent refinance of the Cooperative's federal debt and the resulting cost savings to the membership.

Chair Swick updated members on the role of the Board of Directors, focusing on the challenges of looking ahead during uncertain political and economic times.

On behalf of the Kootenai Electric Trust Board, Chair Len Crosby introduced a video on the continued success of the Operation Round Up® program, thanking the membership for their continued support. Chair Crosby thanked the Trust Board members for their commitment to the program. Members include Susan Meyer, Connie McGee, Kathleen Barrett, Fred Muhs, Tom Craig and Cheri Zao. Since the program’s beginning in November 2002, the Trust Board has awarded more than \$730,000 in grants to KEC individuals in need and to worthy charitable projects in our area.

Trust Board Chairman Len Crosby recognized the college scholarship winners. The following students were each awarded a \$1,000 scholarship: Talia Browning, Shea Dretke, Izabella Enders, Garret Johnson, Vance Kistler, Samantha Krier, Austin Malloy, Michaela Milks, Shay Neely, Robert Nosworthy, Haley Rotchford and Derek Sumey. The Trust Board has awarded 93 scholarships to members or their children since 2007 and plans to offer the scholarship program again early next year.

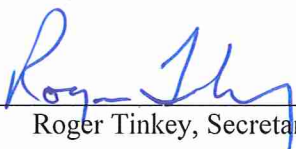
Credentials & Elections Committee member Casey Amy reported on the results of the balloting for the four proposed Bylaw changes.

<u>Proposal</u>	<u>For</u>	<u>Against</u>
Order of Business at the Annual Meeting	3,016	136
Review of Financial Audit Results	3,057	93
Compliance with RUS References	3,006	129
Regular Meetings of the Board of Directors	2,965	185

Chair Swick declared all Bylaw changes approved based on the vote of the membership.

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 Questions Session immediately following the meeting. Chairman Swick adjourned the meeting at 8:00 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 77th Annual Membership Meeting of Kootenai Electric Cooperative, Inc., held at the Lake City Community Church, Coeur d’Alene, Idaho, this 5th day of May 2015 as it appears in the minute book of the Cooperative and that they have not been rescinded.



 Roger Tinkey, Secretary

 4.5.2016
 Date of Approval