

## MINUTES OF THE 73<sup>rd</sup> ANNUAL MEMBERSHIP MEETING

Lake City Community Church, Coeur d'Alene, Idaho, April 9, 2011

Doors opened for the 73<sup>rd</sup> Annual Membership Meeting of Kootenai Electric Cooperative at 8:30 a.m. for registration and visiting the various displays, including member information, vegetation management, volunteer opportunities and CFL sales.

KEC Board President Ed Gossett called the meeting to order at 10:00 a.m. Lake City Community Church Associate Pastor Tod Hornby gave the invocation. Boy Scout Troop 13 presented the colors and led the membership in the Pledge of Allegiance.

Member Services Manager Chris Kastella facilitated the membership meeting and introduced special guests, including former KEC directors and representatives from affiliated businesses, organizations and cooperatives.

President Gossett introduced KEC General Manager Douglas Elliott, General Counsel Brent Schlotthauer and members of KEC's Board of Directors: Donna Boekel, Ron Bockstruck, Terry LaLiberte, David Pratt, Bill Swick and Roger Tinkey. President Gossett introduced the members of the Nominating Committee: Patricia Pierce, Shirley Jones, Ed Lockwood, Bill Hickman, Fred Muhs, Kim Erk and Joy Crupper. President Gossett also introduced the members of the Credentials and Elections Committee: Rodney Shriner, Jan Somers, Roger Walton, Jim Washko, David Odgers, Casey Amy and Rob Wert.

President Gossett appointed General Counsel Brent Schlotthauer as Parliamentarian and KEC Executive Assistant Terry Brown as Recording Secretary.

President Gossett read the notice of the annual meeting and proof of mailing. President Gossett announced that a quorum was present.

The draft minutes of the 2010 Annual Membership Meeting were included in the packets given to the members. Members present at the meeting moved, seconded and carried to dispense with the reading of these minutes and to approve the draft minutes of the 2010 Annual Membership Meeting as presented.

Treasurer David Pratt presented the treasurer's report and provided a summary of the Cooperative's 2010 audit performed by the auditing firm of DeCoria, Maichel & Teague. The purpose of the audit is to express an opinion on the financial statements of the Cooperative for the year 2010. In the opinion of DeCoria, Maichel & Teague, 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 principals and in compliance with all federal regulations. Treasurer Pratt also reported the Cooperative is in compliance with its loan agreements and with governmental financial requirements.

At the meeting, Board President Gossett and General Manager Elliott updated the membership on Cooperative and industry events. The Cooperative had a very successful year, including maintaining stable rates and minimizing future increases by partnering with Kootenai County in the development of the Fighting Creek Landfill Gas Project. We also made investments in system improvements and member extensions to improve our overall system reliability and to provide service to our new members.

For the first time in the history of the Cooperative, director elections were conducted by both mail-in ballots and at the Annual Meeting, with over 3,700 ballots being received.

Our Cooperative continues to thrive and has many plans for 2011 that include the completion of the Fighting Creek Landfill Gas Project and the implementation of some new services for our membership like online daily and hourly consumption reports, optional prepaid metering and smart phone applications.

President Gossett provided an update on federal and state legislative issues being considered that could have an impact on our members' bills and also reported on BPA's Tier 1 and 2 contracts.

On behalf of the Board of Directors, President Gossett thanked the membership for attending today's meeting and for their continued support of the Cooperative. Gossett thanked the Directors for their efforts and hard work during this past year. Also on behalf of the Board, President Gossett thanked and commended the Cooperative employees for their hard work and their dedication to the Cooperative. Gossett also gave special thanks to those KEC employees in attendance at today's meeting.

Nominating Committee member Fred Muhs 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 #3:	John McTear
		David Pratt, Incumbent
	District #5:	Ed Gossett, Incumbent
	District At-Large:	Terry LaLiberte, Incumbent

After the candidates made their presentations to the members, President Gossett called upon the members who had not cast their ballot by mail to cast their ballot at this time.

While the votes were being counted, and on behalf of the Kootenai Electric Trust Board, President Cathy Tinder reported via video on the continued success of the Operation Round Up® program. Since the program's beginning in November 2002, the Trust Board has awarded more than \$500,000 in grants to KEC individuals in need and to worthy charitable projects in our area.

College scholarship winners were also recognized at the meeting. Kootenai Electric's Trust Board awarded \$1,000 scholarships to the students of 10 KEC members. The following students were selected: Bethany Bothwell, Hayden; Rylann Carney, Athol; Emily Cazier, Athol; Andria Hendricks, St. Maries; Jennifer Mitchell, Plummer; Clyde Mooney, Coeur d'Alene; Desiree Randolph, Post Falls; Emily Roman, Post Falls; Corinne VanOstrand, Post Falls and Jake Willard, Plummer. The Trust Board has awarded 50 scholarships since 2007 and plans to offer the scholarship program again early next year.

President Tinder thanked the Trust Board members for their commitment to the program. Members include Carole Swick, Meredith Bryant, Dennis Wilson, Janet Parker, Joan Halverson and John Love. Tinder thanked the membership for their continued support of the Operation Round Up® program.

On behalf of the Credentials & Elections Committee, Chair Casey Amy announced the vote tally which combined the votes cast by mail-in-ballot and the votes cast in person at today's meeting. As noted earlier, for the first time in the history of the Cooperative, director elections were conducted by both mail-in ballots and at the Annual Meeting. Of the 19,948 eligible voters, there was a total return of 3,886 ballots which is a 19% return. This gave us an increase in participation with the highest number of return ballots in the history in the Cooperative. The results of this year's election are as follows:

District #3 – 3,886 votes cast; 1,944 necessary for election; 1,558 votes cast for John McTear; 2,255 votes cast for David Pratt; 4 invalid ballots; 5 write-in ballots and 64 blank ballots.

District #5 – 3,883 votes cast; 1,943 necessary for election; 3,597 votes cast for Ed Gossett; 0 invalid ballots; 11 write-in ballots and 275 blank ballots.

District At-Large – 3,881 votes cast; 1,942 necessary for election; 3,634 votes cast for Terry LaLiberte; 0 invalid ballots; 16 write-in ballots and 231 blank ballots.

President Gossett declared those elected to the Kootenai Electric Board of Directors:

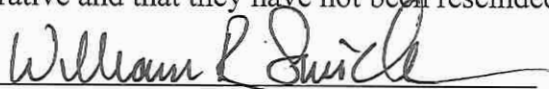
District #3:	David Pratt (3-year term)
District #5:	Ed Gossett (3-year term)
District At-Large:	Terry LaLiberte (1-year term)*

\*LaLiberte was appointed by the Board in April 2010 to fill the remaining 2010 term of Director Jacobson who resigned in 2010. Today, the membership elected LaLiberte to fulfill the final year of Jacobson's term. LaLiberte will run for re-election for a 3-year term in 2012.

On behalf of the Board, President Gossett extended special thanks to the Nominating Committee, the Credentials and Elections Committee, the Lake City Community Church and Boy Scout Troop 13. Also on behalf of the Board, President Gossett extended a special thank you to Executive Assistant Brown for her dedication and assistance to him, as Board President, and to the Board of Directors.

At the conclusion of today's meeting, members were invited to meet with Cooperative senior management and the Board of Directors for a Member Feedback and Questions Session. There was no unfinished business. A motion was made, seconded and carried, to adjourn at 11:55 a.m.

I, William R. Swick, Secretary to Kootenai Electric Cooperative, Inc. do hereby certify that the foregoing is a true and correct copy of the minutes of the 73<sup>rd</sup> Annual Membership Meeting of Kootenai Electric Cooperative, Inc. held at the Lake City Community Church, Coeur d'Alene, Idaho, this 9<sup>th</sup> day of April 2011 as it appears in the minute book of the Cooperative and that they have not been rescinded.



William R. Swick, Secretary

4-30-2013

Date of Approval