

MINUTES OF THE 71st ANNUAL MEMBERSHIP MEETING
Lake City Community Church, Coeur d'Alene, Idaho, March 21, 2009

Doors opened for the 71st Annual Membership Meeting of Kootenai Electric Cooperative at 8:30 a.m. for registration and browsing through the Global Credit Union exhibit, the Our Energy Our Future Co-Op Connections Card information booth and the KEC Energy Efficiency display. The Touchstone Energy hot air balloon was at the meeting and KEC members were able to take tethered rides.

KEC Board President Ed Gossett called the meeting to order at 10:00 a.m. Boy Scout Troop 911 presented the colors and led the membership in the Pledge of Allegiance. Lake City Community Church Associate Pastor Tod Hornby gave the invocation.

Marketing Manager Larry Bryant 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 Stephen Ayers and members of KEC's Board of Directors: Steve Anderson, Donna Boekel, Ron Bockstruck, Wally Jacobson, Dale Pierce and David Pratt. President Gossett also introduced the members of the Credentials and Elections Committee: Rodney Shriner, Jan Somers, Roger Walton, Jim Washko, Lloyd Agte and Terry LaLiberte. Committee member Casey Amy was not in attendance at today's meeting.

President Gossett appointed General Counsel Stephen Ayers 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 2008 Annual Membership Meeting was included in the packets given to the members. It was moved, seconded and carried to dispense with the reading of these minutes and to approve the draft minutes of the 2008 Annual Membership Meeting as presented.

Treasurer David Pratt presented the treasurer's report and provided a summary of the Cooperative's 2008 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 2008. In the opinion of DeCoria, Maichel & Teague, the financial statements of Kootenai Electric Cooperative are accurate and were made in accordance with generally accepted accounting principals and in compliance with all federal regulations. Treasurer Pratt reported the Cooperative is in compliance with its loan agreements and with governmental financial requirements.

In the President's welcoming address and report, President Gossett addressed the "State of the Cooperative" and discussed key activities of the Cooperative and the Board, as well as future power supply concerns that affect the Northwest. Gossett reported how KEC has maintained efficient operations enabling the Cooperative to hold rates steady since 2006, even during these volatile times, and how future Bonneville Power Administration rate increases will impact future KEC rates.

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 gave special thanks to those KEC employees in attendance at today's meeting.

In the General Manager's address to the membership, General Manager Elliott shared his background with the membership and reported on the many energy efficiency rebates offered to KEC members and the importance of conservation. Elliott reminded attendees about KEC's Co-Op Connections Card Program and the savings available to them. This program gives KEC members discounts at more than 100 local businesses and 50 national businesses. Elliott thanked the membership for their support of the Cooperative and for attending today's meeting and thanked the Lake City Community Church for their gracious hospitality.

Nominating Committee Chair Terry LaLiberte presented the Nominating Committee report. Other committee members appointed by the Kootenai Electric Board of Directors include Patricia Pierce, Shirley Jones, John Neirinckx, Ed Rozema, Fred Muhs and Joy Crupper. The objective of the Nominating Committee is to ensure the most qualified people are nominated for election to the Board of Directors, to clearly spell out the procedure for the Nominating Committee to do this consistent with the Bylaws and any other applicable legal requirements and to provide qualified candidates for Board consideration when filling a vacancy as defined by the Cooperative's Bylaws.

The following nominations were made:

<u>By Committee:</u>	District #2	Donna Boekel, Incumbent
	District #4:	Dale Pierce, Incumbent
		Tim Fleener
		Bill Swick
	District At-Large:	Wally Jacobson, Incumbent

After the candidates made their presentations to the members, President Gossett called upon the members to cast their ballots. He also asked the members to submit their written comments and questions on the cards provided to them.

On behalf of the Kootenai Electric Trust Board, Chair Joan Halverson reported on the continued success of the Operation Round Up® program. Since the program's beginning in November 2002, more than \$350,000 have been awarded in grants to KEC individuals in need and to worthy charitable projects in our area.

Chair Halverson presented Boy Scout Troop 911 of Hayden with a check for \$2,076.87 to help purchase tents and other supplies for activities. College scholarship winners were also recognized at the meeting. Kootenai Electric's Operation Round Up® Trust Board awarded \$1,000 scholarships to the children of 10 KEC members. The Trust Board received a total of 29 scholarship applications from which the following students were selected: Alexandria Middleton, Worley; Hanna Thomas, Medimont; Cierra Olmstead, Spirit Lake; Estrella Atkinson, Coeur d'Alene; Christine Woeller, Coeur d'Alene; Marshall Myhre, Harrison; Sandra Christensen, St. Maries; Carissa Larsen, Hayden; Dakota Amy, Harrison and Kalan Kelly, Post Falls.

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

The General Manager and the Board of Directors answered questions from the membership.

Credentials & Elections Committee Chair Jim Washko announced the vote tally:

District #2 – 221 votes cast, 113 necessary for election; 213 votes cast for Donna Boekel, 0 invalid ballots, 0 write-in ballots and 8 blank ballots.

District #4 – 221 votes cast, 113 necessary for election; 25 votes cast for Tim Fleener, 79 votes cast for Dale Pierce and 116 votes cast for Bill Swick, 1 invalid ballot and 0 write-in ballots.

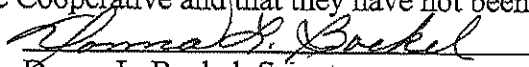
District At-Large – 221 votes cast, 113 necessary for election, 214 votes cast for Wally Jacobson, 0 invalid ballots, 0 write-in ballots and 7 blank ballots.

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

District #2:	Donna Boekel
District #4:	Bill Swick
District At-Large:	Wally Jacobson

There was no unfinished business. A motion was made, seconded and carried, to adjourn at 12:12 p.m. President Gossett extended a special thanks to the Nominating Committee, the Credentials and Elections Committee, Global Credit Union, the Lake City Community Church and Boy Scout Troop 911. Manager Bryant extended a special thank you to the Touchstone Energy balloon team.

I, Donna L. Boekel, Secretary to Kootenai Electric Cooperative, Inc. do hereby certify that the foregoing is a true and correct copy of the minutes of the 71st Annual Membership Meeting of Kootenai Electric Cooperative, Inc. held at the Lake City Community Church, Coeur d'Alene, Idaho, this 21st day of March 2009 as it appears in the minute book of the Cooperative and that they have not been rescinded.


Donna L. Boekel, Secretary