

MINUTES OF THE 76th ANNUAL MEMBERSHIP MEETING
Lake City Community Church, Coeur d'Alene, Idaho, April 29, 2014

Doors opened for the 76th Annual Membership Meeting of Kootenai Electric Cooperative at 5:00 p.m. for registration and visiting the exhibits which included member information, In-Home Display/Usage Explorer, PowerTown safety demonstrations and volunteer opportunities.

The Power of Co-op Membership video served as the introduction to the meeting.

KEC Board Chairman Bill Swick called the meeting to order at 6:22 p.m. Director Roger Tinkey gave the invocation. Boy Scout Troop 211 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, Ed Gossett, Terry LaLiberte, David Pratt, Jim Robbins and Roger Tinkey. Chairman Swick introduced the members of the Nominating Committee: Tim Meyer, Shirley Jones, Ed Lockwood, Jeff Passer, Kim Erk and Joy Crupper. Chair Swick also introduced the members of the Credentials and Elections Committee: Don Gardner, Roger Walton, Jim Washko, Rob Wert, Casey Amy, David Odgers and Steve Morman.

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 2013 Annual Meeting minutes. Hearing none, he declared the minutes approved as presented.

Audit Committee Chair Pratt presented the treasurer's report and provided a summary of the Cooperative's 2013 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 2013. 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. Audit Committee Chair Pratt also reported the Cooperative is in compliance with its loan agreements and with governmental financial requirements.

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 and industry issues contributing to it, as well as an update on the Fighting Creek LGTE resource. He also introduced the new discounted early capital credit program to the membership.

Chair Swick recognized departing Board members Ed Gossett and David Pratt for their service to the Cooperative and thanked them for their efforts on behalf of the members. Commemorative meter lamps were presented to both.

Chair Swick updated members on the role of the Board of Directors, focusing on the two areas of energy conservation and safety in the workplace. He also recapped the changes in district boundaries.

Nominating Committee member Joy Crupper 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:

By Committee: District #3: Todd Hoffman
 District #4: David Bobbitt

Energy Services Program Administrator Don Crawford introduced both candidates. After the candidates made their presentations to the members, Chair Swick declared Mr. Hoffman and Mr. Bobbitt elected to the Kootenai Electric Cooperative Board of Directors by acclamation.

On behalf of the Kootenai Electric Trust Board, Chair Len Crosby reported via 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 Carole Swick, Susan Meyer, Connie McGee, Kathleen Barrett, Fred Muhs and Mark Haberman. He also thanked former Trust Board members Catherine Tinder, Meredith Bryant and Dennis Wilson.

Since the program's beginning in November 2002, the Trust Board has awarded more than \$720,000 in grants to KEC individuals in need and to worthy charitable projects in our area.

Trust Board Vice Chairman Fred Muhs recognized the college scholarship winners. The following students were each awarded a \$1,000 scholarship: Arthur Bassaly, Brent Brinkley, Sydney Donohoe, Dustin Kegley, Amber King, Roman Kleng, Serena Porter, Shannille Randolph, Sophie Sourette, Danielle Taylor and Carolyn Westrick. The Trust Board has awarded 81 scholarships to members or their children since 2007 and plans to offer the scholarship program again early next year.

Member Services Advisor Chris Kastella provided an overview of the KEC Ambassadors program and recognized current Ambassadors attending the Annual Meeting.

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 8:12 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 76th Annual Membership Meeting of Kootenai Electric Cooperative, Inc., held at the Lake City Community Church, Coeur d'Alene, Idaho, this 29th day of April 2014 as it appears in the minute book of the Cooperative and that they have not been rescinded.



Roger Tinkey, Secretary

5.5.2015

Date of Approval