

MINUTES OF REGULAR MONTHLY MEETING
OF
THE BOARD OF DIRECTORS OF K.C. ELECTRIC ASSOCIATION

A regular meeting of the Board of Directors of K.C. Electric Association was held in Stratton, Colorado on Tuesday, October 28th, 2025, at the hour of 4:00 p.m. The meeting was called to order by President Kevin Penny. The following Members were present and constituted a quorum:

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|---------------|-------------|-----------------|
| Kevin Penny | Dan Mills | Terry Tagtmeyer |
| Jerry Allen | Justin Rueb | Bob Bledsoe |
| Wayne Parrish | | |

Director Eric Poss participated via teleconference.

Also present were General Manager David Churchwell, Operations Manager Darren Fox, Member Service/IT Specialist George Ehlers, Chief Financial Officer Bo Randolph, and Attorney Jeff Cure participated via teleconference.

Approval of Agenda: It was unanimously approved to accept the agenda as presented.

Approval of Minutes: It was unanimously approved to accept the minutes for the regular meeting of the Board of Directors on September 23, 2025.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for November 25, 2025, at 3:00 p.m. in Hugo, Colorado.

Public Comments: There were no public comments at this time.

Disbursements Report: The Disbursements Report of the Association for September 2025 was reviewed and, after the Board had an opportunity to review and ask questions, President Penny declared the Disbursements Report as an informational item requiring no Board action.

Emergency Items: None.

Operational Policies: Up for review were Policy #101, Membership in Associated Organizations; Policy #102, Depositories; Policy #103, Receipts of Cash and Cash Equivalents; Policy #111, Investments and Loans; Policy #502, Disclosure of K.C. Electric and Member Information; and policy #513, Scholarship Programs. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policies #101, #102, #103, #111, #502, and #513 are approved as presented.”

2025 Capital Credit Retirement: Mr. Churchwell presented a recommended 2025 capital credit general retirement from K.C. allocations in 2005 and 2006. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That \$1,388,957 from the Capital Credit balance be distributed in December 2025 as a general retirement in addition to 2025 estate retirements.”

Uncollectable Account Write-Offs: Mr. Churchwell presented the uncollectable account write-offs. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the uncollectable account write-offs in the amount of \$4,845.08 are approved as presented.”

Sensus As A Service: Mr. Churchwell presented a proposal from Sensus to manage our AMI data utilizing a cloud-based software and network solution. After discussions of the pros and cons of the proposal, the following resolution was unanimously approved:

“BE IT RESOLVED: That the Sensus proposal for Software As A Service is approved as presented.”

Special Equipment Summary: After review and discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the Special Equipment Summary is hereby approved in the amount of \$147,803.38.”

Inventory of Work Orders: After review and discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the Inventory of Work Orders #506 in the amount of \$51,982.72 is hereby approved.”

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, Tri-State CEO meeting, new large load inquires, election committee candidate, gave a FERC update, discussed 2026 retail electric rates, and staff presented the draft 2026 capital and operating budget.

Staff Reports: The staff made the following reports and answered Board questions:

- a. Mr. Randolph presented a slideshow of the financial report for September 2025 and discussed the RUS shutdown, interest rates, and our RUS AA8 loan. Work continues on the project to abandon unclaimed capital credits.
- b. Mr. Fox reported there were no First Report of Injury and no Near Misses in the past month. A recap was given for the safety meetings held in Stratton and Hugo last month.
- c. Mr. Fox discussed maintenance and construction projects completed in September including reject pole replacements in Hugo, poles damaged by farm equipment, and work being done for several new wind farms in our service territory.
- d. Mr. Ehlers referenced his report in the Board packet which summarized activities of Member Services and IT for September. Scholarship information has been updated and will be sent to school counselors and put on our website. Duo MFA has been implemented on all company computers.

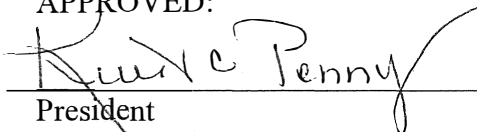
CREA Report: Mr. Parrish discussed a recent CREA special board meeting about funding an RTO study and said that CREA will be implementing a 5% dues increase in 2026.

WUE Report: Mr. Parrish reported that sales continue to be strong due to high sales to Colorado cooperatives and electric contractors.

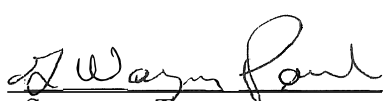
Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and discussed the upcoming Tri-State board meeting and efforts by Tri-State to reduce expenses. Mr. Bledsoe referenced recent articles indicating increased PPA pricing for wind and solar projects, and the amount of money that will be spent nationwide in the next five years on new generation and transmission facilities.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 7:45 p.m.

APPROVED:



President



Secretary-Tre