

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, April 22, 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 | Dave Ritchey |
| Terry Tagtmeyer | Jerry Allen | Justin Rueb |
| Eric Poss | Wayne Parrish | |

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

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 March 26, 2025.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for May 27, 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 March 2025 was reviewed, after further discussion, President Penny declared the Disbursements Report as an informational item requiring no Board action.

Emergency Items: Mr. Churchwell presented information on a request from Tri-State Generation and Transmission for member information so they can conduct a residential end-use survey for K.C. Electric. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to provide member information to Tri-State Generation and Transmission for a residential end-use survey.”

Operational Policies: Up for review were Policy #435, Fraud and Dishonesty; Policy #500, Capital Credits, and Policy #501, Member Deposits. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policies #435, #500, and #501 are approved as presented.”

WESC Extension: Mr. Churchwell discussed the current Wholesale Electric Service Contract we have with Tri-State Generation and Transmission which terminates on December 31, 2050, and the proposed Wholesale Electric Service Contract Tri-State Generation and Transmission has developed which has a termination date of December 31, 2066. Staff has been discussing the new wording in the proposed contract and the extension date with the Board for several months. After extensive review and discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Board President Kevin Penny is authorized to sign the Tri-State Generation and Transmission Wholesale Electric Service Contract with a termination date of December 31, 2066.”

Wildfire Mitigation Plan: Mr. Churchwell discussed the Wildfire Mitigation Plan that has been developed by the operations department. The development of a Wildfire Mitigation Plan has been requested by our insurance carrier, Federated Rural Electric Insurance Exchange. Association attorney Mr. Cure has read the plan and doesn’t have any issues with the plan as

long as we follow the guidelines outlined in the plan. After discussion and questions, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to implement the Wildfire Mitigation Plan as presented.”

RUS AA8 Loan Extension: Mr. Churchwell discussed our current RUS loan and the need to ask RUS for more time to draw down the funds that have been obligated to K.C. Electric. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to submit Resolution 2025-001, (Resolution Requesting a One Year Extension of the Advance Period on the “AA8” Loan), to RUS.”

Special Equipment Purchases: 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 \$72,505.34.”

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

“BE IT RESOLVED: That the Inventory of Work Order #500 in the amount of \$646,266.51 is hereby approved.”

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, Tri-State FERC proceedings, CAMU rate survey, Tri-State Windtalker-Kit Carson tap transmission project, and gave an update on annual meeting preparations.

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

- a. Mr. Randolph presented a slideshow of the financial report for March 2025 and discussed the annual irrigation facility charge, property taxes, 2024 audit, and current economic conditions.
- 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 meeting held in Stratton. The safety committee met and finalized the 2025 Safety Improvement Plan and reviewed the safety manual.
- c. Mr. Fox discussed maintenance and construction projects completed in the past month including completion of reject pole replacements. The contract pole tester is working in the Hugo area, and staff have been working with CREA to develop our SiteDocs forms.
- d. Mr. Ehlers referenced his reports in the Board packet which summarized activities of Member Services and IT for the past month. Only three nomination petitions were received, all by incumbents, there will not be any contested elections this year. Annual meeting details are being finalized.

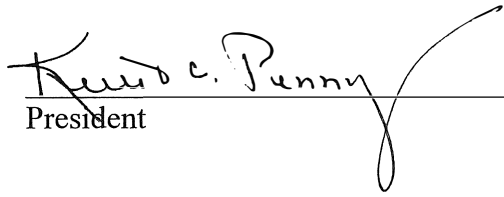
CREA Report: Mr. Parrish referenced his report in the packet and discussed legislative activities, associate membership dues, and CREA may have found a new headquarters building to purchase, but the building is currently under contract with another entity.

WUE Report: Mr. Parrish referenced his report in the packet and reported that sales are at record levels.


Tri-State G&T Report: Mr. Bledsoe’s report was included in the packet, the directors discussed the recent Tri-State annual membership meeting.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 7:02 p.m.

APPROVED:



President



Secretary-Treasurer