

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, February 28, 2023, 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:

Kevin Penny	Dan Mills	Dave Ritchey
Terry Tagtmeyer	Jerry Allen	Wayne Parrish
Eric Poss	Jim Michal	

Bob Bledsoe participated via teleconference.

Also present were General Manager David Churchwell, Operations Manager Paul Norris, 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 January 24, 2023.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for March 28, 2023, at 4:00 p.m. in Hugo, Colorado.

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

Disbursements Report: The Disbursements Report of the Association for January 2023 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 #117, Service Releases; Policy #300, Delegation of Authority from Board to General Manager; and Policy #301, General Manager's Attendance at Meetings. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policies #117, #300, and #301 are approved as presented.”

Approval of Scholarship Winners as Recommended by the Scholarship Committee: The Scholarship Committee of the Board presented a list of proposed students to receive scholarships. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the following students shall be awarded the specified scholarships; Allison Daly of Arriba-Flagler High School shall be awarded the \$1,000 Basin Consumer Scholarship; Makayla Brossman of Cheyenne Wells High School and Joseph Shean of Stratton High School shall each be awarded a K.C. Electric Association Scholarship in the amount of \$1,000; Camden Bledsoe of Arriba-Flagler High School, Ty Scheler of Cheyenne Wells High School, and Daniel Tanner of Stratton High School shall each be awarded a K.C. Electric Association Scholarship in the amount of \$750; Whitney Cure of Burlington High School and Alex Ibarra Cruz of Stratton High School shall each be awarded a Tri-State Scholarship in the amount of \$500; and Ty Scheler was selected as a Basin Employee Scholarship Nominee.”

2023 Capital Credit Discount Rate: Mr. Churchwell presented the 2023 capital credit discount rate which was calculated by utilizing the Goodwin formula. After discussion, the following resolution was unanimously approved:

“BE IS RESOLVED: That the 2023 capital credit discount rate will be 4.32%.”

2023 Estate Capital Credit Retirement Cap: Mr. Churchwell discussed past estate capital credit retirements and K.C. policy #514 which relates to the retirement of capital credits of a deceased member. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the 2023 estate capital credit retirement cap will be \$150,000.”

Terminal Server Replacement: Mr. Churchwell and Mr. Ehlers discussed the current status of our terminal server which has reached end-of-life and presented quotes to replace the server. After questions regarding the reasons and necessity to replace the server, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase a terminal server from High Point Networks for \$19,208.00.”

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 \$22,221.37.”

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

“BE IT RESOLVED: That the Inventory of Work Order #479 in the amount of \$195,843.85 is hereby approved.”

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, Tri-State FERC dockets, gave an update on well retirements in the south fork focus zone of the RRWCD, discussed potential IRA and IJA funding, gave an update on upcoming personal changes, and discussed 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 January 2023 and gave the board an audit update and discussed year-end processes.
- b. Mr. Norris reported there were no First Report of Injury and no Near Misses in the past month. A recap was given of the safety meetings held in Stratton and Hugo and Mr. Norris presented the 2023 safety improvement plan.
- c. Mr. Norris discussed maintenance and construction projects completed in the past month and gave an update on pole testing that is being conducted in the Burlington and Sagebrush areas.
- d. Mr. Ehlers referenced his reports in the Board packet which summarized activities of Member Services and IT for the past month. Annual meeting preparations are underway, and petitions can be issued beginning March 3.

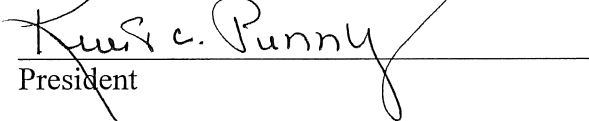
CREA Report: Mr. Mills referenced his report in the packet and gave an update on legislative activity and discussed CREA’s recent joint board meeting with the CEO’s. Mr. Mills also gave an update on CREA’s annual meeting.

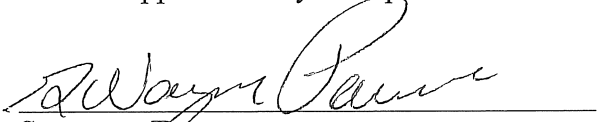
WUE Report: Mr. Mills referenced his report in the packet and reported that sales are at record levels, and supply chain issues continue to negatively impact material deliveries.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and discussed the recent Tri-State board meeting and the need to continue to remind our legislators that reliability and affordability must remain a priority as the state continues to push for carbon reduction.

Other Business: Mr. Penny recently received a letter from K.C.’s auditor regarding our upcoming audit. Mr. Penny asked each of the directors if they had anything specific they would like to discuss prior to the audit being conducted, no comments were made.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 7:08 p.m.  
APPROVED:

  
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President

  
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Secretary-Treasurer