

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 27, 2024, at the hour of 4:32 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
Jerry Allen	Wayne Parrish	Eric Poss
Bob Bledsoe	Jim Michal	

Terry Tagtmeyer participated via teleconference.

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 January 23, 2024.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for March 26, 2024, 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 2024 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 #110, Depreciation of Plant; Policy #112, Insurance; Policy #113, Budget and Commitment of Funds, and Policy #115, Purchases and Inventory Control. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policies #110, #112, #113, and #115 are approved as presented.”

Approval of Scholarship Winners as Recommended by the Scholarship Committee: The Board Scholarship Committee 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; Charlie Tagtmeyer of Stratton High School shall be awarded the \$1,000 Basin Consumer Scholarship; Brooklyn Henschel of Hi-Plains High School and Lauren Hays of Burlington High School shall each be awarded a K.C. Electric Association Scholarship in the amount of \$2,000; Sedonia Isenbart of Stratton High School, KaCee Saffer of Arriba-Flagler High School, Kali Fox of Stratton High School, and Jaylen Stone of Arriba-Flagler High School shall each be awarded a K.C. Electric Association Scholarship in the amount of \$1,000; Shaylee Scheler of Scheler Academy and Jessica Brandon of Stratton High School shall each be awarded a Tri-State Scholarship in the amount of \$500; and Kali Fox was selected as a Basin Employee Scholarship Nominee.”

2024 Capital Credit Discount Rate: Mr. Churchwell presented the 2024 capital credit discount rate which was calculated by utilizing the Goodwin formula. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the 2024 capital credit discount rate will be 5.77%.”

2024 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 2024 estate capital credit retirement cap will be \$150,000.”

Stratton Copier: Mr. Churchwell discussed the current status of the Stratton copier, which has reached end-of-life, and presented a quote to replace the copier. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase a Ricoh IMC2510 color digital copier from Office Works for \$5,099.87.”

Stratton UTV: Mr. Churchwell presented quotes for a new UTV to be utilized to patrol line and assist in power restoration during inclement weather. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase a 2024 Polaris Ranger XP 1000 Premium with accessories from Better Built Trailers for \$26,999.00.”

Hugo Land Contract: Mr. Churchwell discussed the property owned by the Association on the east side of Hugo that has been designated to be donated to the Hugo Fire Protection District for their new fire protection facilities. Mr. Cure presented a quit claim deed and statement of authority for President Penny to sign for this property donation. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the Association will donate lots 12 to 20, block 18, Williams Addition in the Town of Hugo, Lincoln County, Colorado to the Hugo Fire Protection District to be used for their new fire protection facilities.”

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

“BE IT RESOLVED: That the Inventory of Work Order #489 in the amount of \$357,403.70 is hereby approved.”

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, gave an update on Tri-State FERC dockets and the Tri-State contract committee, 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 2024, discussed the 2023 RUS form 7 and gave the board an update on interest rates and Federal Reserve activity.
- b. Mr. Fox 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 in the past month.
- c. Mr. Fox discussed maintenance and construction projects completed in the past month and gave an update on equipment we sold on BigIron online auctions.
- 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 8.

CREA Report: Mr. Allen attended the recent CREA board meeting in Mr. Parrish’s absence. Mr. Allen referenced his report in the packet and gave an update on legislative activity.

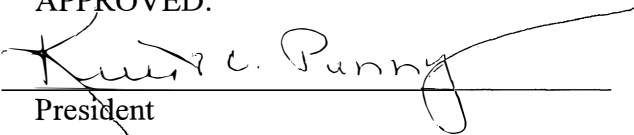
WUE Report: Mr. Parrish referenced his report in the packet and reported that member sales are good, and non-member sales continue to be ahead of budget.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and discussed the recent Tri-State board strategic planning session and board meeting. Mr. Bledsoe invited everyone to attend Tri-State's April annual meeting.

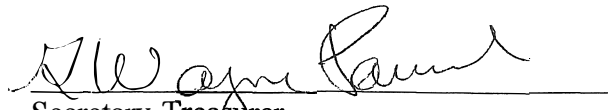
Executive Session: At 7:18 p.m. it was unanimously approved to enter executive session to discuss K.C.'s 2023 audit. Mr. Cure was included in the executive session. The Board exited executive session at 7:22 p.m. and no action was taken.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 7:23 p.m.

APPROVED:



President



Secretary-Treasurer