

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 24, 2026, 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	Justin Rueb
Eric Poss	Bob Bledsoe	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 January 27, 2026.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for March 24, 2026, 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 January 2026 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:

Amend Revenue Deferral Plan: Mr. Churchwell reviewed K.C.'s 2025 revenue deferral plan and presented an amended 2025 revenue deferral plan. After review and discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the 2025 revenue deferral plan is hereby approved as presented.”

Revenue Deferral Plan Resolution: Mr. Churchwell presented Board Resolution 2026 - #001, Amend Revenue Deferral Plan. After review and discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Board Resolution 2026 - #001, Amend Revenue Deferral Plan, is approved as presented.”

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; Alyssa Rueb of Hi-Plains High School shall be awarded the \$2,500 Basin

Consumer Scholarship; Elle Bohnen and Tamryn Talbert of Stratton High School shall each be awarded a K.C. Electric Association Scholarship in the amount of \$3,000; Roxy Unruh, Evan Scheimer, and Aliyah Muth of Cheyenne Wells High School, and Lyndi Huelskamp of Arriba-Flagler High School, shall each be awarded a K.C. Electric Association Scholarship in the amount of \$1,000; Sky Richards of Stratton High School shall be awarded a Tri-State Scholarship in the amount of \$1,000.”

2026 Capital Credit Discount Rate: Mr. Churchwell presented the 2026 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 2026 capital credit discount rate will be 5.413%.”

2026 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 2026 estate capital credit retirement cap will be \$150,000.”

Mower: Mr. Fox presented quotes for a new mower for the Cheyenne Wells office. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase a 2025 John Deere Z530M ZTrak mower from 21st Century for \$4,872.97 plus trade in of a 2007 John Deere MX5.”

Single Axle Trailer: Mr. Fox presented quotes for a single axle trailer for the Stratton office. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase a 2026 PJ 13’ single axle heavy duty tilt trailer from Hitchcock Inc. of Goodland for \$5,596.28 plus applicable taxes.”

Tri-State Annual Meeting Voting Delegate and Alternate Voting Delegate: The Board reviewed the Credential Sheet for the Tri-State Annual Meeting. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Eric Poss will be the voting delegate and Kevin Penny will be the alternate voting delegate for the 2026 Tri-State Annual Meeting.”

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 \$8,417.20.”

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

“BE IT RESOLVED: That the Inventory of Work Order #510 in the amount of \$283,671.36 is hereby approved.”

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, 2026 Cost of Service Study, RUS Revenue Deferral Plan, AI policy, gave an update on wind farm and BESS development in our service territory, and discussed the recent CREA Fall meeting.

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

- a. Mr. Randolph presented a slideshow of the financial report for January 2026, discussed the 2025 RUS form 7, 2025 audit, and gave the board an update on the FOMC.

- 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 in the past month.
- c. Mr. Fox discussed maintenance and construction projects completed in the past month including the Hugo urban substation retirement. Contract pole testers for 2026 are finished, work continues on our fire mitigation plan procedures, and the new Sand Creek substation transformer will be installed soon.
- d. Mr. Ehlers referenced his reports in the Board packet which summarized activities of Member Services and IT for the past month. Mr. Ehlers gave a presentation on options for our 80th annual meeting. Petitions will be issued beginning on March 6.

CREA Report: Mr. Parrish referenced his report in the packet and discussed legislative issues and the recent CREA Fall meeting. CREA continues to have companies interested in associate memberships.

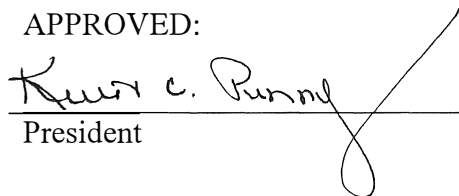
WUE Report: Mr. Parrish referenced his report in the packet and reported that sales are good, but lower than last year, staff continues to work on lowering inventory levels.

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

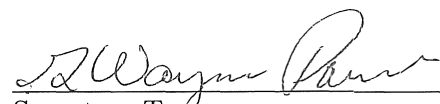
Executive Session: At 5:00 p.m. it was unanimously approved to enter executive session to discuss BYOR opportunities. Mr. Cure, Mr. Churchwell, Mr. Fox, Mr. Randolph, and Mr. Ehlers were included in the executive session. The Board exited executive session at 5:21 p.m.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 6:48 p.m.

APPROVED:



 President



 Secretary-Treasurer