

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 Hugo, Colorado on Tuesday, January 27, 2026, at the hour of 3:00 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	Terry Tagtmeyer
Jerry Allen	Justin Rueb	Eric Poss
Bob Bledsoe	Wayne Parrish	

Dave Ritchey participated via teleconference.

Also present were General Manager David Churchwell, Operations Manager Darren Fox, Member Services/IT Specialist George Ehlers, Chief Financial Officer Bo Randolph, 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 December 18, 2025.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for February 24, 2026, at 4:00 p.m. in Stratton, Colorado.

Public Comments: Tri-State Generation and Transmission CEO Duane Highley and Relationship Manager Michelle Pastor entered the meeting at 4:00 p.m. Mr. Highley gave the board and staff an extensive update on recent Tri-State activities and responded to board and staff questions. After discussion, Mr. Penny thanked Mr. Highley and Ms. Pastor for attending our meeting. Mr. Highley and Ms. Pastor exited the meeting at 5:45 p.m.

Disbursements Report: The Disbursements Report of the Association for December 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 #403, Physical Examinations; Policy #404, Employment of Relatives, and Policy #406, Financing Employee Purchases. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policy #403, #404, and #406 are approved as presented.”

Election Committee Members: Mr. Churchwell presented a list of individuals to be considered by the Board to serve on the 2026 election Committee. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Toby Johnson, Troy McCue, Tim Pautler, George Ehlers and Jeff Cure will serve on the 2026 Election Committee.”

Cost of Service Study: Mr. Churchwell presented a proposal from The Prime Group LLC to prepare a fully allocated, embedded cost of service study for the Association. After discussion and questions relating to the study, as well as rate analysis and development, the following resolution was unanimously approved:

“BE IT RESOLVED: That staff is hereby authorized to contract with The Prime Group LLC to prepare a fully allocated, embedded cost of service study not to exceed \$20,000.”

Three-phase Meters: Mr. Churchwell and Mr. Fox presented a proposal to begin replacing our three-phase smart meters that were originally installed in 2012 and are reaching end-of-life. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to order 500 three-phase Aclara meters from Sensus for \$251,037.70 plus applicable taxes.”

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 \$1,555.83.”

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

“BE IT RESOLVED: That the Inventory of Work Orders #509 in the amount of \$146,723.61 is hereby approved.”

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, insurance renewal, RUS loan drawdown, Tri-State CEO committee meeting, gave an update on Tri-State FERC and ERP activity, discussed our 2026 annual meeting, and gave an update on CREA legislative activities.

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

- a. Mr. Randolph presented a slideshow of the financial report for December 2025, discussed our inventory audit, and gave a financial market update.
- b. Mr. Fox reported there were no first reports of injury and no lost time accidents in the past month. K.C. employees didn’t experience any lost time injuries during 2025.
- c. Mr. Fox discussed maintenance and construction projects completed in December including reject pole replacements, annual line inspections, and the retirement of the Hugo urban substation. The system held up well during the recent winter weather we experienced.
- d. Mr. Ehlers referenced his report in the packet which summarized activities of Member Services and IT for December. Scholarship applications are due in February and annual meeting preparations are underway. Duo MFA has been installed on all association computers including those that utilize VPN when working remotely.

CREA Report: Mr. Parrish referenced his report in the packet and invited everyone to attend the CREA annual membership meeting in February. CREA staff continue to monitor potential legislation that will have an impact on our industry.

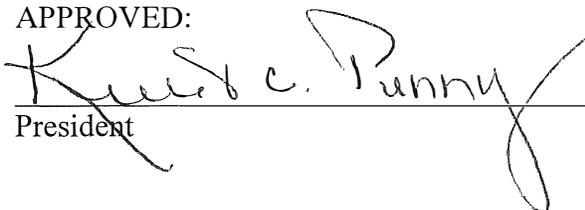
WUE Report: Mr. Parrish referenced his report in the packet and reported that WUE contractor sales are up substantially, WUE will be opening a small warehouse in Kansas, and plan to create a for profit subsidiary which will enable them to bid on SBA projects. WUE’s sales have tripled over the past ten years.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and discussed board strategic planning which will be conducted in February.

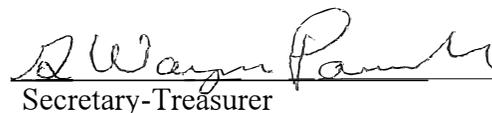
Executive Session: At 6:52 p.m. it was unanimously approved to enter Executive Session to conduct Mr. Churchwell’s annual performance review. Mr. Cure was included in the executive session, Mr. Churchwell entered the executive session at 6:54 p.m. The Board exited Executive session at 7:19 p.m.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 7:21 p.m.

APPROVED:



President



Secretary-Treasurer