Colorado 39 – Kit Carson
K.C. Electric Association

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, July 28, 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	Eric Poss	Dave Ritchey
Terry Tagtmeyer	Jerry Allen	Justin Rueb
Mike Nichols	Bob Bledsoe	Wayne Parrish

Also present were General Manager David Churchwell, Operations Manager Darren Fox, Member Service/IT Specialist George Ehlers, Chief Financial Officer Bo Randolph, Attorney Jeff Cure, local youth Pilot Ray, and Jeff Wernert (virtually) from The Prime Group LLC.

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 June 23, 2026.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for August 25, 2026, at 4:00 p.m. in Stratton, Colorado.

Public Comments: Jeff Wernert presented the results of the Cost Of Service Study that The Prime Group LLC. recently completed for the Association. Following an extensive discussion and all questions answered, Mr. Penny thanked Mr. Wernert for attending the Board meeting. Mr. Wernert exited the meeting at 4:50 p.m.

Disbursements Report: The Disbursements Report of the Association for June 2026 was reviewed, after staff answered questions regarding substation transformer hot oil treatment and upgrades to our radio system, President Penny declared the Disbursements Report as an informational item requiring no Board action.

Emergency Items: Mr. Fox presented a quote for the purchase and installation of a new antenna and associated equipment to be installed on a Tri-State tower north of Stratton. This equipment will replace the existing non-functioning antenna located on the Stratton water tower and is necessary for clear and concise radio communication with crews in the field. After discussion, the following resolution was unanimously approved:

"BE IT RESOLVED: That management is hereby authorized to contract with Digitcom Electronics to purchase and install a new antenna and associated equipment to be installed on a Tri-State tower north of Stratton for $19,150.97."

Operational Policies: Up for review were Policy #419, Medical Insurance for Employees Qualifying for Long Term Disability Insurance; and Policy #420, Apprentice Training Program. After discussion, the following resolution was unanimously approved:

"BE IT RESOLVED: That Policies #419, and #420, are approved as presented."

BESS Tariff: Mr. Churchwell presented a new rate tariff for Battery Energy Storage Systems that will be utilized for utility scale storage projects located in our certified service territory. After discussion, the following resolution was unanimously approved:

"BE IT RESOLVED: That rate tariff 16, Battery Energy Storage System, is approved as presented with an effective date of September 1, 2026."

December Board Meeting Date: Mr. Churchwell presented dates for the December Board of Directors meeting. After discussion, the following resolution was unanimously approved:

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"BE IT RESOLVED: That the December K.C. Board of Directors meeting will be held on December 17th."

CARE Auction Donation: Mr. Churchwell presented information on past CARE auction donations and board discussion ensued. After questions and further discussion, the following resolution was unanimously approved:

"BE IT RESOLVED: That staff is hereby authorized to donate a gift basket to CREA for the October CARE silent auction."

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 $46,633.80."

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

"BE IT RESOLVED: That the Inventory of Work Order #515 in the amount of $67,480.80 is hereby approved."

General Manager's Report: Mr. Churchwell reported on the following: the most recent Tri-State CEO and Board meetings, FERC activity, BYOR status, CREA personnel changes, COSS, and potential new loads in our service territory.

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

a. Mr. Randolph presented a slideshow of the financial report for June 2026, discussed current market conditions, and conducted an education session on our Form 7.
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 Hugo. K.C. received an award during the recent CREA Loss Control Seminar for "No Lost Time Accidents" in 2025.
c. Mr. Fox discussed maintenance and construction projects completed in June including reject pole replacements, poles damaged by storms and poles damaged by farm equipment. Mr. Fox showed the results of drone inspections conducted on some of our transmission lines.
d. Mr. Ehlers referenced his report in the packet which summarized the activities of Member Services and IT for June. The Hyper-V migration has been completed on both servers, and everything is working well.

CREA Report: Mr. Parrish referenced his report in the packet, and discussed CREA personnel changes, CARE activity, and discussed a recent postage increase for CCL.

WUE Report: Mr. Parrish reported that sales for fiscal year 2026 are down 2.2%, primarily driven by lower contractor sales. Staff and Board discussed WUE's rubber glove test facility.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and discussed the upcoming Tri-State board meeting. The Tri-State Board and staff will be discussing plans to increase equity and improve their financial health. The draft 2027 budget will be presented during the August meeting.

Other Business: Mr. Penny brought up the subject of wildfire mitigation and a discussion ensued with staff, Board, and Association attorney Mr. Cure. Following an extensive discussion, everyone agreed that the Association should continue to implement our fire mitigation plan and continue to look for new procedures and technologies to reduce our wildfire risk.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 7:30 p.m.

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APPROVED:

Kurt C Penny

President

D Wayne Parent

Secretary-Treasurer