

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, November 25, 2025, 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	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, Member Service/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 on October 28, 2025.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for December 18, 2025, at 4:00 p.m. in Stratton, Colorado.

Public Comments: None

Disbursements Report: The Disbursements Report of the Association for October 2025 was reviewed and after the Board had an opportunity to ask questions, Mr. Penny declared the Disbursements Report an informational item requiring no Board action.

Emergency Items: None

Operational Policies: Up for review were Policy #104, Check Signing; Policy #105, Construction Loan Fund Document Signatures; and Policy #400, Nature of Employment. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policies #104, #105, and #400 are approved as presented.”

2026 Rates: Mr. Churchwell presented proposed electric rate adjustments for 2026 which have been discussed during previous Board of Director meetings. After extensive discussion, the following resolution was approved:

“BE IT RESOLVED: That the proposed electric rate adjustments are approved as presented with an implementation date of January 1, 2026.”

Amend Revenue Deferral Plan: Mr. Churchwell reviewed K.C.’s 2024 revenue deferral plan and presented an amended revenue deferral plan for 2025. 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 2025 - #001, Amend Revenue Deferral Plan. After review and discussion, the following resolution was unanimously approved:

“BE IS RESOLVED: That Board Resolution 2025 - #001, Amend Revenue Deferral Plan, is approved as presented.”

Special Equipment Summary: After review and discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the Special Equipment Summary in the amount of \$61,669.80 is hereby approved.”

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

“BE IT RESOLVED: That the Inventory of Work Order #507 in the amount of \$102,333.47 is hereby approved.”

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, FERC activity, CREA’s new Executive Director, and discussed several new load opportunities.

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

- a. Mr. Randolph presented the financial report for October 2025, discussed interest rate activity, G&T estate retirements, and gave an update on the 2026 budget.
- b. Mr. Fox reported there were no First Report of Injury and no Near Misses in October. A recap was given for the safety meeting held in Stratton.
- c. Mr. Fox reported on maintenance and construction projects the line crews have been working on for the past month including projects for the new wind farms being developed in our service territory. Crews will begin replacing reject poles in the Arriba area next month.
- d. Mr. Ehlers referenced his report in the Board packet which summarized activities of Member Services and IT for October. Scholarship information has been sent to all schools in our service territory and put on the website.

CREA Report: Mr. Parrish referenced his report in the packet and reported on the recent CREA board meeting. CREA has sold their property on Washington street, they will be increasing dues by 5% in 2026 and will have a joint board/manager meeting next week. Several entities have been approved as associate members of CREA. The 2026 legislative session is shaping up to be busy with several potential bills that could impact our business.

WUE Report: Mr. Parrish referenced his report in the packet and noted that WUE sales continue to be strong and ahead of budget. Cooperative sales are down slightly, but contractor sales are increasing.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and discussed the upcoming Tri-State board meeting. Three Nebraska member systems have notified Tri-State they will exit in December 2027.

Executive Session: At 5:45 p.m. it was unanimously approved to enter Executive Session to discuss 2026 salaries and wages. Mr. Churchwell and Mr. Cure were included in the Executive Session. The Board exited Executive Session at 6:27 p.m.

2026 Salaries and Wages: After the Executive Session, the following resolution was unanimously approved:

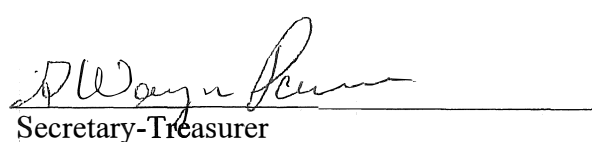
“BE IT RESOLVED: That the salary and wage increases presented by the General Manager are hereby approved.”

Adjournment: Mr. Penny declared the meeting adjourned at approximately 6:35 p.m.

APPROVED:



President



Secretary-Treasurer