

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, June 24, 2025, 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, Chief Financial Officer Bo Randolph, Member Services Manager/IT Specialist George Ehlers, Operations Manager Darren Fox, 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 May 27, 2025.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for July 22, 2025, 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 May 2025 was reviewed, and after staff answered questions on pole testing, weed spraying, and NISC costs, President Penny declared the Disbursements Report as an informational item requiring no Board action.

Emergency Items: Mr. Churchwell and Mr. Parrish presented information on the office building that CREA will be purchasing in July. Financing options were presented and after discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That staff is authorized to pay CREA \$90,909 for K.C.’s share of the original cost of the CREA office building located at 445 South Pierce Street in Lakewood Colorado.”

Mr. Churchwell and Mr. Fox presented quotes to replace unit #5 and to remount the existing service body onto the new chassis. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase a 2025 Silverado 3500 cab chassis from Herl Chevrolet GMC for \$53,136.00 plus applicable taxes, and contract with Hitchcock Incorporated to remove, sandblast, paint, and remount an existing service body for \$15,000 plus applicable taxes.”

Board Officers and Delegates for June 2025 – June 2026: Mr. Penny appointed Mr. Cure as temporary chair of the meeting. Mr. Cure conducted the nomination and election of the Board President. Mr. Cure requested nominations for President. Mr. Penny was nominated to serve as Board President. No further nominations were made, and the following resolution was unanimously approved:

“BE IT RESOLVED: That Mr. Penny is elected to serve as the President of the Board of Directors of K.C. Electric for a term of one year.”

Mr. Cure relinquished the temporary chair position and returned the meeting over to Mr. Penny. Mr. Penny called for nominations to fill the position of Vice President. Mr. Mills was nominated to serve as Vice President. No further nominations were made, and the following resolution was unanimously approved:

“BE IT RESOLVED: That Mr. Mills is elected to serve as the Vice President of the Board of Directors of K.C. Electric for a term of one year.”

Mr. Penny then called for nominations to fill the position of Secretary/Treasurer. Mr. Parrish was nominated for Secretary/Treasurer. No further nominations were made, and the following resolution was unanimously approved:

“BE IT RESOLVED: That Mr. Parrish is elected to serve as the Secretary/Treasurer of the Board of Directors of K.C. Electric for a term of one year.”

President Penny then called for nominations to fill the position of Assistant Secretary/Treasurer. Mr. Ritchey was nominated as Assistant Secretary/Treasurer. No further nominations were made, and the following resolution was unanimously approved:

“BE IT RESOLVED: That Mr. Ritchey is elected to serve as the Assistant Secretary/Treasurer of the Board of Directors of K.C. Electric for a term of one year.”

Mr. Penny then called for nominations to fill the position of director representative for Tri-State G&T. Mr. Bledsoe was nominated as director representative for Tri-State G&T. No further nominations were made, and the following resolution was unanimously approved:

“BE IT RESOLVED: That Mr. Bledsoe is elected to serve as the director representative to serve on Tri-State G&T’s Board of Directors for a term of one year.”

Mr. Penny then called for nominations to fill the position of alternate director representative for Tri-State G&T. Mr. Tagtmeyer was nominated as alternate director representative for Tri-State

G&T. No further nominations were made, and the following resolution was unanimously approved:

“BE IT RESOLVED: That Mr. Tagtmeyer is elected to serve as the Association’s alternate director representative to serve on Tri-State G&T’s Board of Directors for a term of one year.”

Mr. Penny then called for nominations to fill the position of director representative for CREA and WUE. Mr. Parrish was nominated as director representative for CREA and WUE. No further nominations were made, and the following resolution was unanimously approved:

“BE IT RESOLVED: That Mr. Parrish is elected to serve as the director representative to serve on the CREA and WUE Board of Directors for a term of one year.”

Mr. Penny then called for nominations to fill the position of alternate director representative for CREA and WUE. Mr. Allen was nominated as the alternate director representative for CREA and WUE. No further nominations were made, and the following resolution was unanimously approved:

“BE IT RESOLVED: That Mr. Allen is elected to serve as the Association’s alternate director representative to serve on the CREA and WUE Board of Directors for a term of one year.”

Mr. Penny then called for nominations to fill the position of Board representative on the Association’s Safety Committee. Mr. Ritchey was nominated as the Board representative for the Association’s Safety Committee. No further nominations were made, and the following resolution was unanimously approved:

“BE IT RESOLVED: That Mr. Ritchey is elected to serve as the Board representative on the Association’s Safety Committee for a term of one year.”

Mr. Penny called for nominations to fill the position of voting delegate and alternate voting delegate for associated organizations. A motion was made to retain the existing slate of voting delegates and alternate voting delegates for associated organizations with the addition of Mr. Poss as alternate voting delegate for CFC. After discussion, the following resolution was unanimously approved :

“BE IT RESOLVED: The existing slate of voting delegates and alternate voting delegates for associated organizations with the addition of Mr. Poss as alternate voting delegate for CFC are elected for a term of one year.”

Operational Policies: Up for review were Policy #118, Whistleblower Protection; Policy #506, Structures or Obstruction Hazards; and Policy #517 Acceptance of Credit Card Payments. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policies #118, and #506 are approved as presented, and Policy #517 is approved as presented with an implementation date of October 1, 2025.”

Basin Delegate and Alternate For District No. 5 Caucus: Mr. Churchwell presented information on an election that Tri-State will conduct on August 6 to select one of their directors to serve on the Basin board. After review and discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Mr. Bledsoe will be the voting delegate, and Mr. Parrish will be the alternate voting delegate for the August 6 Tri-State election to select a director to serve on the Basin board.”

Cheyenne Wells Bucket Truck: Mr. Fox presented quotes for a new one-man bucket truck which will replace an existing one-man bucket truck at the Cheyenne Wells office. After review and discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase a 2025 Terex LTM 40 with a Ford F600 4x4 chassis from Custom Truck One Source for \$199,500 plus applicable taxes.”

Special Equipment Summary: 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 \$48,584.61.”

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

“BE IT RESOLVED: That the Inventory of Work Order #502 in the amount of \$305,328.57 is hereby approved.

General Manager’s Report: Mr. Churchwell reported on the following: The most recent Tri-State Board meeting, CREA managers meeting, FERC proceedings, RUS AA8 loan extension, and recapped K.C.’s 2025 Annual Meeting.

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

- a. Mr. Randolph presented a slideshow of the financial report for May and along with Mr. Cure discussed estate capital credits and unclaimed capital credits. Mr. Randolph gave an update on financial markets.
- b. Mr. Fox reported there were no First Reports of Injury and no Near Misses in the past month. A recap was given for the safety meeting held in Stratton. We had our RESAP inspection last week and will give a full report to the board next month.
- c. Mr. Fox reported on construction and maintenance projects completed in the past month including wind farm jobs and poles replaced after a severe wind storm. Mr. Fox discussed the results of our 2025 pole testing and told the board that our contract tree trimmers have arrived and are working in Kit Carson county.
- d. Mr. Ehlers referenced his report in the Board packet and discussed rebates and gave an update on the MFA-DUO project.

CREA Report: Mr. Parrish referenced his report in the packet and discussed the CREA board's May meeting, June special meeting, CREA's office building purchase, and shrinking CARE participation.

WUE Report: Mr. Parrish referenced his report in the packet, sales continue to be at record levels and lead times for material are going down.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and discussed Tri-State's upcoming virtual board meeting.

Executive Session: At 7:05 pm it was unanimously approved to enter Executive Session to discuss Tri-State's A-41 rate filing at FERC and the resulting settlement process. All staff and Mr. Cure were included in the Executive Session. Mr. Bledsoe did not participate in the Executive Session. The Board exited Executive Session at 7:54 pm.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 7:55 p.m.

APPROVED:

President

Secretary-Treasurer