

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 22, 2022, 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	Dave Ritchey	Terry Tagtmeyer
Jerry Allen	Wayne Parrish	Eric Poss
Bob Bledsoe	Jim Michal	

Dan Mills participated via teleconference.

Also present were General Manager David Churchwell, Operations Manager Paul Norris, Chief Financial Officer Bo Randolph, and Member Services/IT Specialist George Ehlers.

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 26, 2022.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for March 22, 2022, 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 2022 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: Mr. Churchwell and Mr. Randolph presented information on K.C.'s current RUS loan, cash flow, debt, and equity levels. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to submit the required RUS documents to draw down \$3,800,000 from our AA8 loan.

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. Staff answered questions relating to our insurance coverages and 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 Scholarship Committee of the Board 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; Sydney Cure of Burlington High School shall be awarded the \$1,000 Basin Consumer Scholarship; Clayton Craig and Madison Tagtmeyer of Stratton High School shall each be awarded a K.C. Electric Association Scholarship in the amount of \$1,000; Braden Wedel of Stratton High School, Kenneth Brown of Eads High School, and Daisy Stone of Arriba-Flagler High School shall each be awarded a K.C. Electric Association Scholarship in the amount of \$750; Lauren Thompson of Stratton High School and Colby Simmons of Genoa-Hugo High School shall each be award a Tri-State Scholarship in the

amount of \$500; and Ashlyn Churchwell was selected as a Basin Employee Scholarship Nominee.”

2022 Capital Credit Discount Rate: Mr. Churchwell presented the 2022 capital credit discount rate which was calculated by utilizing the Goodwin formula. After discussion, the following resolution was unanimously approved:

“BE IS RESOLVED: That the 2022 capital credit discount rate will be 4.81%.”

2022 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 2022 estate capital credit retirement cap will be \$150,000.”

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 Wayne Parrish will be the voting delegate and Kevin Penny will be the alternate voting delegate for the 2022 Tri-State Annual Meeting.”

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

“BE IT RESOLVED: That the Inventory of Work Order #469 in the amount of \$472,555.41 is hereby approved.

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, Tri-State FERC dockets, Tri-State rate committee, potential new loads, and 2022 legislative activity.

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

- a. Mr. Randolph presented a slideshow of the financial report for January 2022 and gave the board an audit update and discussed the accumulated depreciation project he has been working on.
- b. Mr. Norris reported there were no First Report of Injury and no Near Misses in the past month. A recap was given of the safety meetings held in Stratton and Hugo.
- c. Mr. Norris discussed maintenance and construction projects completed in the past month including construction work plan jobs and annual pole testing.
- d. Mr. Ehlers referenced his reports in the Board packet which summarized activities of Member Services and IT for the past month. Annual meeting preparations are underway, and petitions can be issued beginning March 4. Cyber security training continues to be conducted with all employees.

CREA Report: Mr. Mills referenced his report in the packet and gave an update on legislative activity and CREA’s recent board meeting.

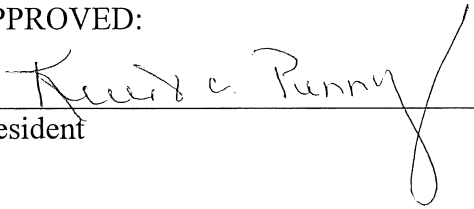
WUE Report: Mr. Mills referenced his report in the packet and reported that sales are at record levels, and the wire cutting equipment WUE purchased should be operational in the near future.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and mentioned that the Tri-State board conducted strategic planning in February and a recent FERC ruling in a Wabash Power Valley Alliance docket may benefit Tri-State in their contract termination payment docket.

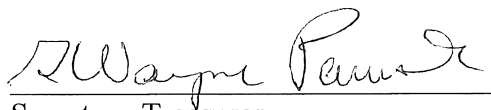
Executive Session: At 6:33 p.m. it was unanimously approved to enter Executive Session to discuss the 2021 financial audit. Mr. Cure was included in the Executive Session. The board exited Executive Session at 6:35 p.m.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 6:37 p.m.

APPROVED:



President



Secretary-Treasurer