

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, May 24, 2022, 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	Wayne Parrish
Eric Poss		

Bob Bledsoe participated via teleconference, and Jim Michal arrived at 4:45 p.m.

Also present were General Manager David Churchwell, Chief Financial Officer Bo Randolph, Member Services/IT Specialist George Ehlers, Operations Manager Paul Norris, 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 April 26, 2022.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for June 28, 2022, at 4:00 p.m. in Stratton, Colorado.

Public Comments: Kevin Kelso of Kelso Lynch, P.C., P.A. joined the meeting at 3:00 p.m. via videoconference to review the 2021 Audit Report. Mr. Kelso reviewed, among other things, the topics of materiality, compliance with debt requirements, auditor's report, and a comprehensive review of the financial statements included in the report.

Disbursements Report: The Disbursements Report of the Association for April 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: None.

Operational Policies: Up for review were Policy #106, Short-Term Line of Credit; Policy #410, Employment Applications; Policy #412, Standby Duty; and Policy #413, Funeral Leave. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policies #106, #410, #412, and #413 are approved as presented.”

2021 Financial Audit: After review and discussion the following resolution was unanimously approved:

“BE IT RESOLVED: That the audit for the fiscal year ending December 31, 2021, conducted by Kelso Lynch, P.C., P.A. is hereby accepted by the Board of Directors as presented.”

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 \$26,694.15.”

General Manager's Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, Tri-State rate committee, FERC activities, CREA safety program, and grants that are available for electric school buses.

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

- a. Mr. Randolph presented a slideshow of the financial report for April 2022 and discussed loan and investment transactions.
- 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 reject pole replacements. Mr. Norris gave the board an update on recent employee participation at Mesa Hotline School.
- 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 being finalized.

CREA Report: Mr. Mills referenced his report in the packet and gave an update on legislative activity, and the upcoming CREA board meeting which will be held at PVREA's office.

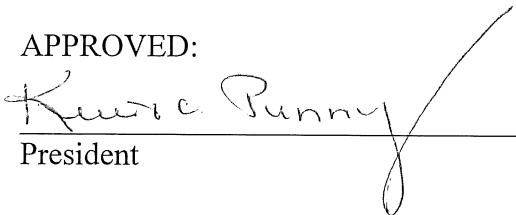
WUE Report: Mr. Mills referenced his report in the packet and reported that sales continue to be strong, and WUE continues to monitor inventory levels due to extended material lead times.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and discussed recent meetings with rating agencies, and wildfires in New Mexico that have damaged Tri-State transmission lines, and member system facilities.

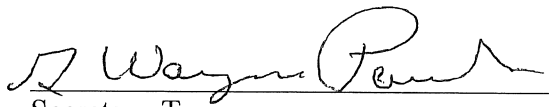
Other Business: Mr. Penny discussed legislation that recently passed which will allocate additional funds to the RRWCD to retire irrigated acres in the south fork focus zone.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 6:05 p.m.

APPROVED:



President



Secretary-Treasurer