

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 26<sup>th</sup>, 2020 at the hour of 3:00 p.m. The meeting was called to order by President Kevin Penny. Due to the COVID-19 outbreak board members had the option of attending in person, via videoconference, or via teleconference. The following Members were present and constituted a quorum:

Kevin Penny                      Wayne Parrish                      Bob Bledsoe

Dave Ritchey arrived at 3:14 p.m.

Dan Mills, and Terry Tagtmeyer participated via videoconference.

Also present were General Manager David Churchwell, Operations Manager Paul Norris, Chief Financial Officer Bo Randolph, Member Services/IT Specialist George Ehlers, Accountant Cortney Davis 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 28, 2020.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for June 23, 2020 at 4:00 p.m. in Stratton, Colorado.

Public Comments: Kevin Kelso and George Lynch of Kevin S. Kelso, CPA, P.C., P.A. joined the meeting via videoconference to review the 2019 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 2020 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 presented a quote for a new Dodge chassis to be purchased to replace the chassis damaged last year in an accident. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase a 2019 5500 regular cab chassis 4x4 from Max Motors Dealerships for \$52,000.”

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.”

2019 Financial Audit: After discussion the following resolution was unanimously approved:

“BE IT RESOLVED: That the audit for the fiscal year ending December 31, 2019 conducted by Kevin S. Kelso, CPA, P.C., P.A. is hereby accepted by the Board of Directors as presented.”

RUS AA8 Loan: Mr. Churchwell presented documents to be submitted to Rural Utility Service (RUS) requesting a Federal Financing Bank Loan. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to submit the required documents to request a Federal Financing Bank Loan for \$ 9,295,000 for facilities and reimbursement.”

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 \$143,312.73.”

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

“BE IT RESOLVED: That the Inventory of Work Order #451 in the amount of \$55,572.60 is hereby approved.”

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, K.C. annual meeting, legislative activities, and gave a COVID-19 update.

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

- a. Mr. Randolph presented a slideshow of the financial report for April 2020 and discussed COVID-19 effect on sales.
- b. Mr. Norris reported there were no First Report of Injury and no Near Misses in the past month. Mr. Norris discussed COVID-19 employee screening procedures
- c. Mr. Norris discussed maintenance and construction projects completed in the past month including reject pole replacements. Contract tree trimmers have begun trimming in the Cheyenne Wells area.
- d. Mr. Ehlers referenced his reports in the Board packet which summarized activities of Member Services and IT for the past month.

CREA Report: Mr. Mills referenced his report in the packet and gave an update on the most recent CREA board meeting. The Colorado General Assembly has reconvened following their COVID-19 forced shutdown.

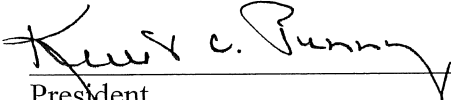
WUE Report: Mr. Mills referenced his report in the packet and reported that overall sales continue to be strong.

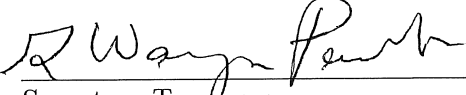
Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet. Due to the COVID-19 restrictions, Tri-State’s June Board meeting will be a “virtual” meeting.

Other Business:

Adjournment: Mr. Penny declared the meeting adjourned at approximately 5:55 p.m.

APPROVED:

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary-Treasurer