

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 28, 2024, 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
Jim Michal		

Eric Poss arrived at 3:20 p.m., and Bob Bledsoe arrived at 3:50 p.m.

Also present were General Manager David Churchwell, Chief Financial Officer Bo Randolph, Member Services/IT Specialist George Ehlers, 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 23, 2024.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for June 27, 2024, at 4:00 p.m. in Stratton, Colorado.

Public Comments: Mr. Kevin Kelso of Kelso Lynch, P.C., P.A. joined the meeting at 4:15 p.m. via videoconference to review the 2023 Audit Report and IRS Form 990. Mr. Kelso reviewed, among other things, the topics of materiality, compliance with debt requirements, auditors report, and a comprehensive review of the financial statements included in the report. Mr. Kelso left the meeting at 5:32 p.m.

Disbursements Report: The Disbursements Report of the Association for April 2024 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.”

2023 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, 2023, conducted by Kelso Lynch, P.C., P.A. is hereby accepted by the Board of Directors as presented.”

2023 IRS Form 990: Mr. Churchwell reviewed the 2023 IRS form 990 which was completed by Kelso Lynch, P.C., P.A. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the 2023 IRS form 990 is hereby approved as presented.”

Line Extension Engineering Fee: Mr. Churchwell presented a modification to our Rules, Regulation, and Extension Policy pertaining to an engineering fee for line extensions that may be indeterminate in nature or require extensive employee time to design. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the line extension engineering fee 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 is hereby approved in the amount of \$49,730.78.”

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

“BE IT RESOLVED: That the Inventory of Work Orders #492 in the amount of \$97,719.31 is hereby approved.”

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, CREA JT&S changes, annual meeting preparations, FERC activities, and gave an update on the net metering working group.

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

- a. Mr. Randolph presented a slideshow of the financial report for April 2024 and discussed interest rates and the current state of the economy.
- b. Mr. Churchwell 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. Churchwell discussed maintenance and construction projects completed in the past month. The contract pole tester has completed testing for this year.
- d. Mr. Ehlers referenced his reports in the Board packet which summarized the activities of Member Services and IT for the past month. Annual meeting preparations are being finalized, and updates continue on our cyber response plan.

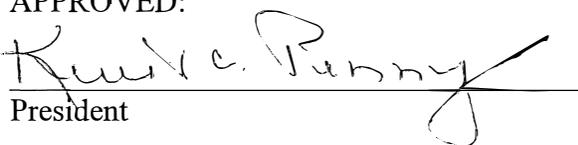
CREA Report: Mr. Parrish referenced his report in the packet and discussed CREA’s recent joint board meeting with the CEO’s. A legislative update is included in the packet.

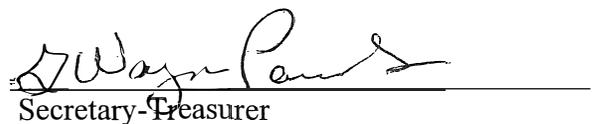
WUE Report: Mr. Parrish referenced his report in the packet and reported that sales continue to be strong, the backlog continues to grow, and inventory levels are stabilizing.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and advised the board that Tri-State has scheduled a special board meeting for later this week.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 6:59 p.m.

APPROVED:

  
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President

  
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Secretary-Treasurer