

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, 2026, 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	Justin Rueb
Eric Poss	Bob Bledsoe	Wayne Parrish

Also present were General Manager David Churchwell, Chief Financial Officer Bo Randolph, Operations Manager Darren Fox, 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 28, 2026.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for June 23, 2026, at 4:00 p.m. in Stratton, Colorado.

Public Comments: Mr. George Lynch and Mr. Robert Lang from Kelso Lynch, P.C., P.A. joined the meeting at 3:00 p.m. via videoconference to review the 2025 Audit Report. Mr. Lynch and Mr. Lang reviewed, among other things, the topics of materiality, compliance with debt requirements, auditors report and presented a comprehensive review of the financial statements included in the report. Mr. Lynch and Mr. Lang left the meeting at 3:30 p.m.

Disbursements Report: The Disbursements Report of the Association for April 2025 was reviewed and, after the Board asked staff questions regarding property taxes and vehicle repairs, 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.”

2025 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, 2025, conducted by Kelso Lynch, P.C., P.A. is hereby accepted by the Board of Directors as presented.”

Stratton Service Truck: Mr. Fox presented quotes for a new service truck for the Stratton office. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase a 2026 Chevrolet Silverado 3500HD truck from Vinces’s GM Center for \$54,624.45 plus applicable taxes and a 2026 Knapheide model 796 service body to be installed by Hitchcock Incorporated for \$28,550 plus applicable taxes.”

Cheyenne Wells Pole Trailer: Mr. Fox presented quotes for a new pole trailer for the Cheyenne Wells office. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase a 2026 CZ15KP pole trailer from Altec Supply for \$22,383 plus applicable taxes.”

Sensus Base Station Replacement: Mr. Fox presented quotes for the replacement of the S100 base stations located at Cheyenne Wells and Wildhorse, which are used for our AMI system. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That staff is hereby authorized to purchase two M420B base stations from Sensus for \$79,821 plus applicable taxes to be installed at Cheyenne Wells and Wildhorse.”

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 \$30,735.06.”

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

“BE IT RESOLVED: That the Inventory of Work Orders #513 in the amount of \$33,607.53 is hereby approved.”

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, CREA Manager meeting, annual meeting preparations, FERC activities, BYOR, RUS “AA8” loan, irrigation account retirements, and gave an update on a potential new load.

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

- a. Mr. Randolph presented a slideshow of the financial report for April 2026 and discussed the current state of the economy and our 2025 IRS Form 990 filing.
- b. Mr. Fox reported there were no First Report of Injury and no Near Misses in the past month. A recap was given for the safety meetings held in Stratton and Hugo. A safety committee meeting was held in Stratton, and a tabletop electric safety demonstration was conducted in Cheyenne Wells during a farm safety event at the school.
- c. Mr. Fox discussed maintenance and construction projects completed in the past month and showed pictures of poles damaged by a fire west of Flagler. The contract tree trimmer is currently working in Cheyenne County.
- 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 Hyper-V domain server migration.

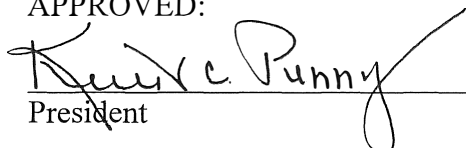
CREA Report: Mr. Parrish referenced his report in the Board packet and discussed CREA’s upcoming Board meeting which will be held in Meeker and mentioned the legislative update which is included in CTO.

WUE Report: Mr. Parrish referenced his report in the Board packet and reported that sales continue to be below budget but remain steady. WUE continues to right-size their inventory.


Tri-State G&T Report: Mr. Bledsoe referenced his report in the Board packet and discussed the upcoming Tri-State Board meeting.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 6:03 p.m.

APPROVED:



President



Secretary-Treasurer