

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 25, 2021 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	Wayne Parrish	Eric Poss
Bob Bledsoe		

Jim Michal arrived at 3:55 p.m.
Luanna Naugle participated via teleconference.

Also present were General Manager David Churchwell, Chief Financial Officer Bo Randolph, Member Services/IT Specialist George Ehlers, Attorney Jeff Cure, Operations Manager Paul Norris participated via videoconference, and K.C. member Jerry Allen.

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 27, 2021.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for June 22, 2021 at 4:00 p.m. in Stratton, Colorado.

Public Comments: Kevin Kelso of Kelso Lynch, P.C., P.A. joined the meeting at 3:07 p.m. via videoconference to review the 2020 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. Colorado State Representative Rod Pelton joined the meeting at 6:05 p.m. to discuss legislative issues and answer board questions.

Disbursements Report: The Disbursements Report of the Association for April 2021 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 policy and financial information relating to 2021 capital credit estate retirements. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That the 2021 cap for estate capital credit early retirements will be \$225,000.”

Operational Policies: Up for review were Policy #438, Bloodborne Pathogen Exposure Plan; Policy #503, Vandalism Reward; Policy #504, Donations and Contribution; and Policy #505, Member Complaints and Related Matters. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policies #438, #503, #504, and #505 are approved as presented.”

2020 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, 2020 conducted by Kelso Lynch, P.C., P.A. is hereby accepted by the Board of Directors as presented.”

Two-Year Audit Agreement: Mr. Churchwell presented a two-year audit agreement with Kelso Lynch, P.C., P.A.. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That K.C. Electric will engage Kelso Lynch, P.C. P.A. for the audit of the financial statements of K.C. Electric Association for the years ending December 31, 2021 and 2022.”

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 \$12,667.43.”

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

“BE IT RESOLVED: That the Inventory of Work Order #461 in the amount of \$58,096.92 is hereby approved.

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State Board meeting, K.C. annual meeting preparations, legislative activities, CREA managers meeting, and discussed a possible solar project.

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

- a. Mr. Randolph presented a slideshow of the financial report for April 2021 and discussed property taxes and abandoned capital credits.
- 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. The safety committee met recently and updated our safety improvement plan.
- c. Mr. Norris discussed maintenance and construction projects completed in the past month including construction work plan jobs, reject pole replacements, and tree trimming.
- 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 continue.

CREA Report: Mr. Mills referenced his report in the packet and gave an update on legislative activity, and the upcoming CREA board meeting. The CREA board will meet in person for the first time in over a year.

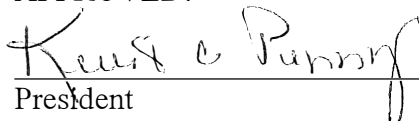
WUE Report: Mr. Mills referenced his report in the packet and reported that sales continue to be strong, and WUE continues to increase inventory levels due to extended material lead times.

Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and discussed Tri-State’s upcoming strategic planning and board meeting.

Other Business: Mr. Penny discussed recent RRWCD board meetings, and the impending retirement of irrigated acres in the south fork focus zone.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 7:34 p.m.

APPROVED:



President



Secretary-Treasurer