

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 Stratton, Colorado on Tuesday, October 26th, 2021 at the hour of 4:00 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
Jerry Allen	Wayne Parrish	Eric Poss
Bob Bledsoe		

Jim Michal arrived at 5:00 p.m., and Terry Tagtmeyer participated via teleconference.

Also present were General Manager David Churchwell, Operations Manager Paul Norris, Member Service/IT Specialist George Ehlers, Chief Financial Officer Bo Randolph, and Attorney Jeff Cure.

Approval of Agenda: It was unanimously approved to accept the agenda as amended, adding Bill Credit, and Capital Credit Retirements as Emergency Items.

Approval of Minutes: It was unanimously approved to accept the minutes for the regular meeting of the Board of Directors on September 28, 2021.

Next Meeting Date: Without objection, the date for the next regular meeting of the Board was confirmed for November 23, 2021 at 3:00 p.m. in Hugo, Colorado.

Public Comments: There were no public comments at this time.

Disbursements Report: The Disbursements Report of the Association for September 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 information to the board regarding utilizing the savings from the March 1, 2021 Tri-State Generation and Transmission 2% wholesale power rate reduction as a one-time bill credit on K.C. members bills in December. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That staff is authorized to utilize the savings from the March 1, 2021 Tri-State Generation and Transmission 2% wholesale rate reduction as a one-time bill credit on K.C. members December bill.

Mr. Churchwell presented a recommended capital credit general retirement for 2021. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That \$1,161,049 from the Capital Credit balance be distributed in December 2021 as a general retirement.”

Operational Policies: Up for review were Policy #101, Membership in Associated Organizations; Policy #102, Depositories; Policy #103, Receipt of Cash and Cash Equivalents; Policy #111, Investments and Loans; and Policy #502, Disclosure of K.C. Electric and Member Information. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That Policies #101, #102, #103, #111, and #502 are approved as presented.”

Stratton Small Bucket #23: Mr. Churchwell presented a quote for a replacement one-man bucket truck for the Stratton Office. Mr. Norris answered several board questions about the chassis and aerial device installation. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase a one-man bucket truck from ETI for \$145,000.”

Stratton Service Truck Unit #17: Mr. Churchwell presented quotes for a replacement service truck with a new service body installed on it. Mr. Norris answered several board questions about the truck chassis and service body. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase a 2023 F-350 chassis from Burlington Ford for \$45,500 and a Knapheide Service body to be installed by Hitchcock Incorporated for \$19,403.”

Stratton Trailer Unit #86: Mr. Churchwell presented quotes for a replacement tilt-deck trailer for the Stratton office. Mr. Norris answered several board questions about the trailer. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase a 22’ PJ tilt-deck trailer from Hitchcock Incorporated for \$9,808.”

Stratton Digger Derrick Unit #16: Mr. Churchwell presented quotes for a replacement digger derrick for the Stratton office. This unit is not expected to be delivered until the summer of 2023. Mr. Norris answered several board questions about the chassis and digger derrick options. After discussion, the following resolution was unanimously approved:

“BE IT RESOLVED: That management is hereby authorized to purchase a 2024 Peterbilt 537 chassis with an Altec DH48H digger derrick installed on it for \$306,862.”

Special Equipment Purchases: 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 \$2,857.79.

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

“BE IT RESOLVED: That the Inventory of Work Orders #465 in the amount of \$20,575.69 is hereby approved.”

General Manager’s Report: Mr. Churchwell reported on the following: the most recent Tri-State board meeting, Tri-State CEO meeting, CREA managers meeting, election committee selection process, community solar garden, and discussed 2021 deferred revenue.

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

- a. Mr. Randolph presented a slideshow of the financial report for September 2021 and presented the draft 2022 capital and operating budget.
- 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. K.C. conducted a high voltage demonstration for 170 elementary students during the Farm Safety Just 4 Kids program held at the Lincoln County fairgrounds.
- c. Mr. Norris discussed maintenance and construction projects completed in September and gave the board an update on the three-phase overhead line rebuild project west of Kit Carson.
- d. Mr. Ehlers referenced his report in the Board packet which summarized activities of Member Services and IT for September.

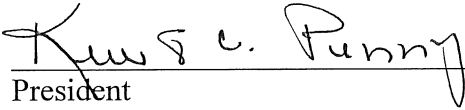
CREA Report: Mr. Mills reported that the CREA board didn’t meet in September but did meet in October after the CREA fall meeting and energy innovation summit. CREA staff presented their 2022 budget to the board and there will be a dues increase in 2022.

WUE Report: Mr. Mills reported that sales continue to be strong, and they have expanded the number of directors on their board due to an increase in membership in Utah.

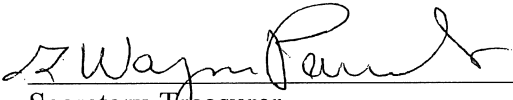
Tri-State G&T Report: Mr. Bledsoe referenced his report in the packet and discussed the upcoming Tri-State virtual board meeting.

Adjournment: Mr. Penny declared the meeting adjourned at approximately 7:31 p.m.

APPROVED:



President



Secretary-Treasurer