

K.C. ELECTRIC ASSOCIATION

JUNE 2020

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Our mission is to provide our members with safe, reliable service at the lowest cost, while maintaining an environmentally responsible, accountable and sustainable operation now and in the future.

2020 ANNUAL MEETING CHANGES

BY DAVID CHURCHWELL
GENERAL MANAGER

Last month, my article in this *Colorado Country Life* magazine was an invitation for you and your family to attend K.C. Electric Association's 74th Annual Meeting in Cheyenne Wells. I guess I was being overly optimistic, or maybe I need a new crystal ball. Since I write these articles a month before they are printed, I hoped the COVID-19 restrictions would be eased by the day of our annual meeting.

You should be receiving this issue of *Colorado Country Life* just prior to our 74th Annual Meeting. Out of an abundance of caution due to the COVID-19 pandemic and state of Colorado directives, the K.C. Electric 74th Annual Meeting will be a virtual meeting. The virtual meeting will be Thursday, June 4, at 6:30 p.m. This telephone town hall meeting will be a live forum that will allow K.C. consumer-members to learn and ask questions, as well as vote. You will find a link to our online registration form on our website at www.kcelectric.coop. It's not too late to register and online registration will be allowed until two hours prior to the meeting. If you have trouble registering online, please call our Hugo or Stratton office and we will be happy to help you get registered.

By registering for our telephone town hall meeting you can listen to our annual meeting presentations, have an opportunity to ask questions and will receive a \$10 bill credit. Prior to the beginning of the telephone town hall meeting, you will receive a call on the phone number you enter during registration. The caller ID on the phone call you receive will be 719-743-2431. Once you answer the call, you will be placed into the meeting.



DAVID CHURCHWELL

I look forward to our annual meeting each year and the time I'm able to spend with our consumer-members. It's unfortunate that we will not be able to meet in person, but in these unprecedented times, all of our lives have been impacted and changed in one way or another. Our virtual meeting will allow you to hear about what has been going on at your electric cooperative this past year.

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We do not have any contested races for our board election this year. Incumbent directors who will serve another three-year term are Bob Bledsoe from Cheyenne County, along with Kevin Penny and Dan Mills from Kit Carson County. Eric Poss submitted a petition for the vacant Lincoln County director position and was unopposed, so Eric will serve the unexpired remaining term for the director he is replacing and then will be subject to the regular election process.

REFLECTION

As I reflect back on everything we accomplished this past year, a couple of highlights quickly come to mind. First, I'm proud to say that K.C. employees worked all of 2019 without experiencing a lost-time accident.

This past year, K.C. participated in the Rural Electric Safety Achievement Program, which is administered by our statewide organization, the Colorado Rural Electric Association.

As part of this program, a group of safety professionals from around the state conducted an unannounced inspection of K.C.'s equipment, facilities (including substations, power lines and offices), crews and safety program. This inspection went extremely well for us and the inspection team commended K.C. employees for the work they have been doing to create a safe work environment and a safe electrical system for our consumer-members. This inspection also helped us to identify some ways to improve and expand our safety program.

We continually look for ways to improve our safety program and we must do everything we can to ensure that we keep our workers, consumer-members and the public as safe as possible.

Secondly, K.C. went another year without the need to implement a retail rate increase. Our power supplier, Tri-State Generation and Transmission, continues to work hard to keep its costs down so it doesn't have to increase the cost of power it sells to us. Since cost of power is our single largest expense each year, wholesale power cost increases normally result in a retail rate increase for the K.C. membership. Stable rates would not be possible if not for the continued hard work of our employees and the decisions made by our staff and board of directors.

FINANCIALS

On the financial front, total revenue from electric sales for 2019 was \$24,174,350. For every dollar of sales revenue we received, 50 cents came from commercial accounts,

27 cents came from irrigation accounts, 21 cents came from residential accounts, and 2 cents came from street lighting and other electric revenue.

The total cost of electric service in 2019 was \$23,795,404. Cost of power was 75% of total expenses; operations and maintenance was 10% of total expenses, followed by depreciation at 7%, administration and general at 4%, consumer accounting and sales at 2% and interest and other deductions at 2%.

Our business is constantly changing and we must adapt to meet the needs of our consumer-members. The K.C. Electric Board of Directors is concerned about mandates, load losses and other changes that can affect our business. We must plan for the potential impacts of these changes on our rates. One tool that we have utilized the past three years is a revenue deferral plan. A revenue deferral plan is a tool we can use to manage the ups and downs that can occur from year to year and can be used to help stabilize rates.

After revenue deferral, margins from operations in 2019 were \$378,947, and our total margin was \$1,417,901.

K.C. Electric continues to remain in sound financial condition and in 2019 the K.C. Board of Directors approved general and estate capital credit retirements of over \$1.2 million. Receiving capital credits is one of the many benefits of being a member of an electric cooperative.

SCHOLARSHIPS

Our 2020 scholarship recipients are:

- Taylor Spangle, Cheyenne Wells High School — \$1,000 from K.C. Electric
- Kezia Thomas, Burlington High School — \$1,000 from K.C. Electric

- Christa Mousel, Kit Carson High School — \$750 from K.C. Electric
- Emily Tanner, Stratton High School — \$750 from K.C. Electric
- James Knudsen, Cheyenne Wells High School — \$750 from K.C. Electric
- Courtney Pimental, Burlington High School — \$1,000 from Basin Electric consumer scholarship
- Kyle Nelson, Cheyenne Wells High School — \$500 from Tri-State G&T
- Alan McCaffrey, Arickaree High School — \$500 from Tri-State G&T

In addition, we recently had the estate of a former consumer-member donate their capital credits to K.C. Electric to be used for two scholarships which were awarded to:

- Jayden McCombs of Kit Carson High School
- Zach Armour of Stratton High School

Congratulations to each of these scholarship recipients. I wish them good luck in their future endeavors.

Our 2021 Annual Meeting will take place on Thursday, June 3, 2021, in Stratton. This will be our 75th Annual Meeting and I hope by then the COVID-19 pandemic has passed. I hope you will find time to attend this special event and help us celebrate our 75th anniversary.

Our world is changing at such a fast pace and the electric utility industry and your cooperative is not immune to these changes. Member-owned cooperatives, however, bring stability and a sense of local ownership that is missing in other businesses. You are more than consumers — you are member-owners. I can assure you we will keep working hard to deliver the high-quality service you expect and deserve from your cooperative.

K.C. Electric Welcomes New Employees



Accountant – Cortney D.

K.C. Electric Association is pleased to announce its new accountant, Cortney Davis. K.C. is excited to welcome her to the team.

Cortney is originally from Pennsylvania and she resides in Limon with her husband, Nathan, along with their three children: Caden, 12, and twins Kendall and Trista, 8. She began her employment with us on April 20 and we are extremely happy to have Cortney as an integral part of our team.



Apprentice Lineman – Cameron K.

K.C. Electric Association is pleased to announce its new apprentice lineman, Cameron Klann. K.C. is excited to welcome him to the operations team.

Cameron is a born and raised eastern Colorado native who grew up in Flagler and attended high school at Hi-Plains High School in Seibert. We are glad to welcome Cameron to our team as he begins his career as an apprentice lineman.

K.C. Electric Annual Members Meeting

K.C. ELECTRIC WILL HOLD ITS 74TH ANNUAL MEETING VIA TELEPHONE TOWN HALL ON THURSDAY, JUNE 4, 2020, AT 6:30 P.M.

This telephone town hall will be a live forum that will allow K.C. consumer-members to hear about the co-op's accomplishments this past year, ask questions and vote.

To register, visit our website at www.kcelectric.coop and click on the registration link. If you need assistance registering, please contact the Hugo office at 719-743-2431 or the Stratton office at 719-348-5318.



A Touchstone Energy™ Cooperative 

Claim Your Savings

Each month, K.C. Electric consumer-members have a chance to claim a \$20 credit on their next electric bill. All you must do is find your account number, call the Hugo office at 719-743-2431 and ask for your credit. The account numbers are listed below. How simple is that?

You must claim your credit during the month in which your name appears in the magazine (check the date on the front cover).

Tom Schlichenmayer, Bethune

— 1121000001

Byron Kramer, Bethune

— 1255000001

Sammi Jo Chadwick, Cheyenne Wells

— 410900001

Brian Chacon, Burlington

— 1119999100

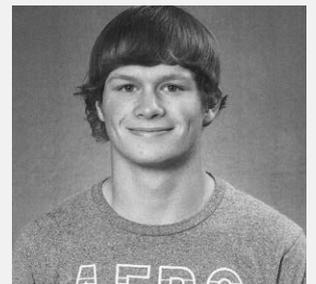
In April, four consumer-members called to claim their savings: Jan Beek, Cheyenne Wells; Thomas Herman, Burlington; John Mohan, Hugo; and Arapahoe Water Co., Arapahoe.

ADDITIONAL SCHOLARSHIPS AWARDED

K.C. Electric is pleased to award two additional scholarships funded from estate capital credit donations to: Jayden McCombs, Kit Carson High School; and Zach Armour, Stratton High School



▲ Jayden McCombs



▲ Zach Armour

Farmer and Rancher Safety Practices



We don't have to remind those who work the land and raise livestock that they have a potentially dangerous occupation. However, due to the nature of the job and because of long days of tiring work, some safety precautions are worthy of repeating. Here are some reminders about electrical dangers on the farm or ranch.

If you make contact with a power line, guy wire, power pole, electrical box or any other electrical equipment, do not get out of your cab or truck. Stay put and call 911 to dispatch our utility crew to de-energize the power.

If you must get out due to smoke or fire, make a solid jump out without touching any part of the tractor or vehicle, and hop away as far as you can, keeping both feet together as you hop. Or, after you make a clean exit, shuffle or waddle away while keeping your feet together and on the ground.

Once you are out, never try to re-enter the cab or truck until it is cleared by the utility crew.

REMEMBER: If your machinery or vehicle comes in contact with a power line or other utility equipment, do not get out of the cab. Stray power could energize your equipment and the ground. Call 911 and wait for us to arrive and cut the power.

Determine proper clearance

Contact us to measure power line heights; do not do this yourself. Once you know the heights, you can determine safe clearances of your equipment. Always maintain at least 10 feet between the power line and the tallest height of the equipment that will be transported. Keep in mind that, due to wear, age and even weather conditions, power lines can change height. Please contact us with any concerns. It's good to know power line clearance, but always have a spotter.

Call us before moving or adding a grain bin

The National Electrical Safety Code addresses grain bins and their proximity to power lines with extremely specific requirements. The requirements are in place to help keep farmers safe — to decrease the chances of farming equipment and machinery coming in contact with power lines. If you are planning on building a new grain bin or remodeling around an area that already has one, contact us at K.C. Electric at 719-743-2431. We can help with specific code requirements. The taller a grain bin, the farther it must be placed from a power line.

Always dig safely

Whether you are installing new fence posts or using large tillage tools, call 811 before you dig to have underground utilities marked. Even if you think you know where buried gas, power and other lines are, don't rely on your memory. Get all utilities marked so you know for sure. (Note: Utility locators dispatched by 811 do not mark private lines.)

Use standby generators with care

If you have a standby generator to provide essential power during an outage, be sure to correctly use the transfer switch. Once you properly engage the switch, it stops your farm's generated power from entering utility lines (backfeeding), which can electrocute lineworkers who are working to restore power.

For more information about electrical safety, visit SafeElectricity.org. General safety tips source: Hobby Farms.



June 2020

Energy Efficiency

Tip of the Month

Home cooling makes up a large portion of your energy bills. Try to keep the difference between the temperature of your thermostat setting and the outside temperature to a minimum. The smaller the difference, the more energy you will save.