

K.C. ELECTRIC ASSOCIATION

JULY 2022

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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.

76TH ANNUAL MEETING RECAP

BY DAVID CHURCHWELL GENERAL MANAGER

I want to thank all our members who attended the K.C. Electric Association 76th Annual Meeting in Kit Carson. I know this is a busy time of year for our membership and I'm grateful for the members who could attend the meeting. It was a pleasure to see everyone as we presented an update of 2021, and the business of the association was conducted.

We did not have any contested races for the board election this year. Incumbent directors who will serve another three-year term are Dave Ritchey from Cheyenne County, Wayne Parrish from Kit Carson County, and Eric Poss from Lincoln County.

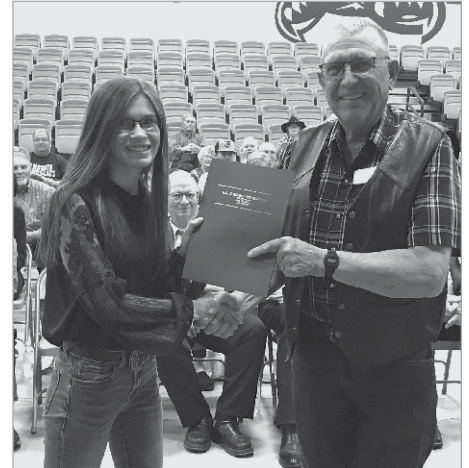
I'm proud to say that K.C. Electric employees worked all of 2021 without experiencing a lost-time accident. Not only did they work the entire year without a lost-time accident, they also worked the entire year without any medical reportable incidents. This is quite an accomplishment considering the extreme weather and dangerous conditions they must work in to keep the lights on.

K.C. went another year without the need to implement a retail rate increase. In fact, K.C. has not increased any of our electric rates since 2017. Can you think of anything you purchase today that hasn't increased in price since 2017?

Our power supplier, Tri-State Generation and Transmission, continues to work extremely hard to keep its costs down so it doesn't have to increase the cost of power it sells to us. Since the 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



DAVID CHURCHWELL



Board member Jim Michal presents a scholarship to Daisy Stone.

and the decisions made by staff and our board of directors.

On the financial front, revenue from sales were down slightly in 2021 compared to 2020. Irrigation revenue decreased last year due to the amount of moisture we received, and commercial usage increased due to more consistent usage at pumping stations.

One item that sticks out on our balance sheet is "other electric revenue," which was negative for 2021. This number was negative because we deferred \$1,000,000 of revenue last year.

A revenue deferral plan is a tool we use to manage the ups and downs that can occur from year to year and can help K.C. stabilize rates in the future as the electric industry continues to change rapidly — especially when it comes to the generation of electricity.

Colorado mandates require Tri-State to move away from fossil fuel based generation

to renewable generation, and we also have uncertainty with the future of our irrigation load due to the Republican River Compact and the imminent retirement of thousands of acres of irrigated land in the South Fork Focus Zone.

The revenue deferral plan will be used to help us work through these bumps in the road, as our overall goal is to keep rates stable and affordable.

K.C. Electric continues to remain in sound financial condition and, in 2021, the K.C. Electric Board of Directors approved general and estate capital credit retirements of over \$1.45 million. Over the past five years we returned almost \$7 million in capital credits to our members. Receiving capital credits is one of the many benefits of being a member of an electric cooperative.

During the meeting, K.C. Board President Kevin Penny announced the 2022 scholarship recipients:

Madison Tagtmeyer of Stratton High School — \$1,000 from K.C. Electric

Clayton Craig of Stratton High School — \$1,000 from K.C. Electric

Daisy Stone of Arriba-Flagler High School — \$750 from K.C. Electric

Kenneth Brown of Eads High School — \$750 from K.C. Electric

Braden Wedel of Stratton High School — \$750 from K.C. Electric

Sydney Cure of Burlington High School — \$1,000 from Basin Electric

Lauren Thompson of Stratton High School — \$500 from Tri-State Generation and Transmission

Colby Simmons of Genoa-Hugo High School — \$500 from Tri-State Generation and Transmission

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

Breanna Echols from Kit Carson entertained the crowd prior to our stretch break. What a pleasure it was to have her sing a few songs during the annual meeting. She is an incredibly talented singer and songwriter.

As usual, we gave away a lot of door prizes throughout the meeting. Once again, the grand prize of \$1,500 went unclaimed since the person whose name was drawn was not in attendance. Instead, five members in attendance each walked away with \$100.

As the meeting came to a close, Board President Penny informed the members that the 2023 Annual Meeting will take place on Thursday June 1, 2023, in Stratton.

Our world is changing at such a fast pace. The electric utility industry and your cooperative are 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 customers, 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.

I hope to see you next year in Stratton.



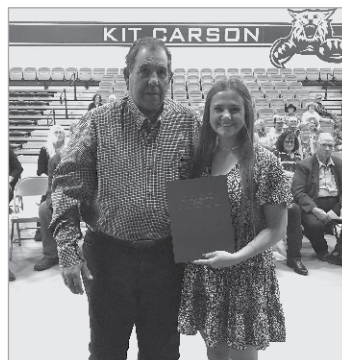
▲ General Manager David Churchwell and Board President Kevin Penny answer questions from members.



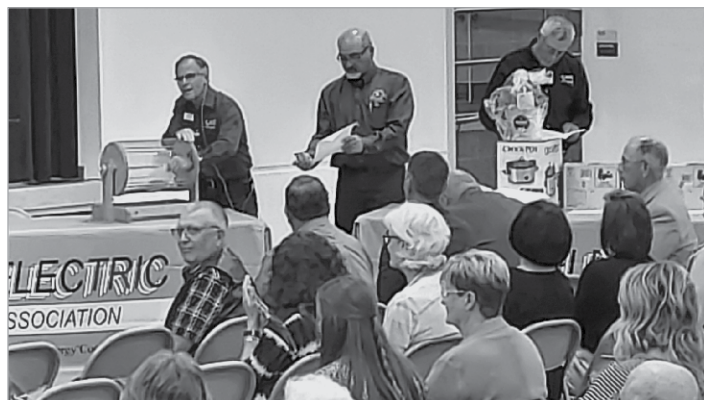
▲ Breanna Echols from Kit Carson sings at the Annual Meeting.



▲ Board President Kevin Penny shares information at the Annual Meeting.



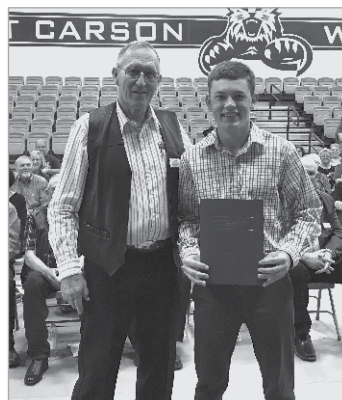
▲ Madison Tagtmeyer receives a scholarship presented by Board Member Terry Tagtmeyer.



▲ K.C. Electric draws a winner for one of many door prizes given away during the annual meeting.



▲ K.C. Electric Board Member Jerry Allen presents Lauren Thompson with a scholarship.



▲ Board Member Wayne Parrish presents Braden Wedel with a scholarship.



Claim Your Savings

Each month, 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).

- **William Bollwinke, Burlington** — 1103990000
- **Rodney Bancroft, Seibert** — 1111130001
- **Lorrie Brown, Flagler** — 518380008
- **Brackford Mann, Burlington** — 1109000102

In May, three consumer-members called to claim their savings: Hannah Hess, Arapahoe; Bobby Gray, Stratton; and, Eugene Erker, Burlington.

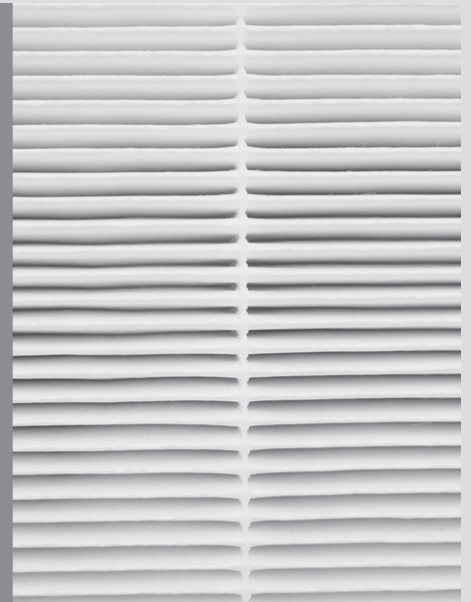


HAPPY
INDEPENDENCE
DAY!

Breathe Easier.

Regularly changing your cooling system's air filter provides multiple benefits.

- Improved indoor air quality
- Cleaner home
- Fewer indoor allergens
- Improved system efficiency



Stay Fresh: Four Tips for Better Indoor Air Quality

BY ABBY BERRY

We spend a lot of time indoors. In fact, the Environmental Protection Agency estimates the average person spends 90% of their life indoors.

Additionally, our homes are becoming more energy efficient — they're better insulated and sealed with less ventilation — which is great for our energy bills but not so much for our indoor air quality.

The thought of breathing in pollutants can be scary, but the truth is that indoor air pollution is common and simply unavoidable. The good news is that there are ways you can easily improve the air quality of your home.

Here are four tips to help you breathe a little easier:

Change your air filter often. Clogged, dirty filters reduce the amount of airflow and the HVAC system's efficiency. When a filter becomes too clogged, the excess dirt and dust are sent through your air ducts, adding unnecessary allergens and other unwanted particles into your living space. During the cooling season (summer months), the Department of Energy recommends replacing your air filter every month or two. This is one of the easiest ways to promote better indoor air quality and energy efficiency.

Regularly vacuum carpet and rugs — especially if you have furry friends. The cleaner the home, the healthier the home. Vacuuming carpet and area rugs once a

week can greatly reduce the accumulation of pet dander and dust inside your home. Frequently clean other areas that collect dust, such as drapes, bedding and cluttered areas.

Use vents to remove cooking fumes.

Those exhaust fans aren't just for when you burn the bacon. Fans help remove fumes emitted while cooking and eliminate unwanted moisture and odors. They may be a bit noisy, but these handy tools can help you improve indoor air quality while you're preparing that culinary masterpiece.

Incorporate air-purifying plants into your living space. There are several varieties of indoor plants that can help detoxify your home from dust and germs found in a variety of home products, furniture and other materials. A few low-maintenance, air-purifying plants to consider are snake plants, aloe vera plants and pothos plants, also known as Devil's Ivy. These vibrant, lush plants are eye-catching and beneficial for any home. Remember to review care conditions and think about placement for any new plants you add to your home.

Taking simple steps to purify indoor air can improve health and overall quality of life. With a little effort, you can improve the indoor air quality of your home and breathe a bit easier.

Abby Berry writes on consumer and cooperative affairs for the National Rural Electric Cooperative Association.

BEAT THE PEAK THIS SUMMER

As temperatures begin to spike, there are steps you can take to save money on energy bills this summer.

According to the Department of Energy, a typical home uses a whopping 48% of energy expenditures just on heating, ventilation and air conditioning systems. Although a majority of that 48% is spent on heating expenses, Americans still spend \$29 billion every year to power their air conditioners.

Aside from replacing your central air conditioner with a newer, higher-efficiency model, there are some things you can do to increase efficiency which can help reduce your energy bills:

- Weather strip and caulk around windows and doors in your home.
- Close curtains, blinds and shades during the hottest part of the day. Not only is about one-third of a home's energy lost around windows, but about 76% of sunlight that falls on standard double-pane windows enters the home to become heat, according to energy.gov.
- If you don't already have one, install a programmable or smart thermostat. You can save up to 10% per year on heating and cooling by adjusting your thermostat 7 to 10 degrees from its normal setting for 8 hours a day, according to energy.gov.
- Clean the filter and get your unit inspected by an HVAC professional.



- Consider changes to your landscaping. Greenery that includes shade trees and trees that insulate the foundation can reduce energy costs.
- Ventilate the attic and check insulation. Adequately sized vents and an attic fan can help hot air from building. If your attic has less than 6 to 8 inches of insulation, consider adding more. By addressing air leaks around your home and adding insulation, homeowners can save around 10% annually on energy bills, according to energystar.gov.
- Get a checkup by a professional HVAC technician, which could help your air conditioner run more efficiently.
- Make sure your outdoor condenser unit is clean and free from debris.

Ideally, the unit should be in the shade.

- Use your clothes dryer and oven during the cooler parts of the day.
- Consider a professional energy audit to reveal where your home is inefficient, including air leaks and exposed ductwork.

Increased summer electric demand not only affects the monthly budget, but it can also seriously strain your home's electrical system, potentially creating dangerous shock and fire hazards. Flickering or dimming lights or frequent circuit breaker trips are signs of an overloaded electrical system or faulty wiring that should be checked immediately by a qualified electrician.

For more information on electrical safety, visit SafeElectricity.org.

Energy Efficiency

Tip of the Month

Did you know the combined use of large appliances, such as dishwashers, clothes dryers and washing machines account for the largest percentage of electricity use in the average U.S. home? Take small steps to save energy when using these appliances.

For maximum dishwasher efficiency, thoroughly scrape food from dishes before loading and run full loads only. In the laundry room, dry towels and heavier cottons separate from lighter-weight clothing, and clean the lint screen after every use. Washing clothes in cold water will save energy used to heat water.

Source: EIA and DOE

