

REGULAR BOARD OF TRUSTEES MEETING

The regular monthly meeting of the Board of Trustees of The Caney Valley Electric Cooperative Association, Inc., was held Tuesday, April 13, 2021, at Cedar Vale, State of Kansas, at 7:00 p.m.

The meeting was called to order by President, Kenneth Bates, who acted as chairman and presided at the meeting. Kitty Sweaney, Accounting & HR Manager, recorded the minutes thereof.

Upon calling the roll, the following Trustees reported as present:

Kenneth Bates	Stephanie Ollenborger	Steve Clark
Don Land	Alex Fulsom	Dan Hubert
Dale Steward	Chris Kelly	Charles McMillan

Others present for the meeting were Allen A. Zadorozny, Manager, Marla Ware, Attorney, Craig Lampson, and Kitty Sweaney. Due to continuing COVID-19 concerns, trustee Alex Fulsom and Counsel Ware participated via ZOOM. Chairman Bates declared the meeting duly organized for the dispatch of such business as might come before it, and opened with a prayer and the flag salute.

Consideration was given for requests for changes to the agenda or for any executive sessions. Counsel Ware asked for an executive session under attorney/client privilege for her report.

Allen Zadorozny mentioned that Lee Tafanelli, CEO of KEC, would like to meet in person with the trustees at the regular May board meeting. Zadorozny suggested the Board meet at 6:30 that night, in order for Tafanelli to meet with the trustees and then be able to get back to Topeka at a decent hour. It was the consensus of the Board to do so.

The next order of business was review of the minutes of the regular board meeting of March 9, 2021. It was moved by Steve Clark, seconded by Dan Hubert, and unanimously carried, that the minutes be approved as mailed.

The Board then considered the new membership list. After review and on motion by Chris Kelly, second by Dale Steward, it was unanimously carried to approve the new members as presented.

The Board reviewed the February expenditures. Allen Zadorozny noted that the SEDC expense included annual fees that are billed once a year. Staff also clarified the expenses to Border States.

Old accounts in the total amount of \$753.65 were presented for consideration. It was moved by Dan Hubert, seconded by Chris Kelly, and unanimously carried, to turn these over for collection as presented.

The Board reviewed the Operations, Loss Control and Safety Report including new consumer's line extensions, outages, safety meeting minutes and transportation. It was moved by Don Land, seconded by Steve Clark, and unanimously carried, to approve the safety meeting minutes as presented.

At 7:10 p.m., it was moved by Chris Kelly, seconded by Dan Hubert, and unanimously carried, to go into executive session for a period of 15 minutes under attorney/client privilege, with Counsel Ware, Allen

Zadorozny, Craig Lampson, and Kitty Sweaney also present. At 7:35 p.m., it was moved by Dale Steward, seconded by Stephanie Ollenborger, and unanimously carried, to return to regular session.

Manager Zadorozny then reviewed the February financial statements. Due to the high power bill for the month, margins came in at a loss of \$32,834.59. This brought year-to-date margins to \$51,467.86, which was still higher than a year ago and higher than budget. KWh purchases were higher than normal due to the extremely cold temperatures in February, plus KEPCo's ECA was 3.3¢/kWh as a result of energy costs during that time. Other operating expenses were about the same as a year ago. On the balance sheet, Zadorozny noted that another \$25,000 payment had been made against the CoBank line-of-credit, and cash on hand is still over \$1,000,000. He thanked Chris Kelly for his assistance in getting the loan through the Payroll Protection Program. Funds from that were received March 16, 2021, in the amount of \$392,186.10. Kelly mentioned that entities have to wait at least 8 weeks after receipt of the funds before applying for forgiveness of the loan. The long-term debt-to-assets ratio dropped to 42.9% following the quarterly payment to CFC. Zadorozny then compared revenues and expenses to budget and to the previous two years. Meters billed increased from 5,253 to 5,262 in February. Cash receipts and expenditures were reviewed, as well as the February power bill and right-of-way clearing expenses.

In his manager's report, Zadorozny mentioned the KEPCo board approving the 3.3¢/kWh ECA on the February bills being rescinded, and the approval to recover excessive costs caused by February's extreme cold over a 24-month period, pending RUS approval. The ECA for March only had an additional 2 mills, which will result in a negative PCA on Caney Valley's billing to our members in May. Zadorozny mentioned that Victory Electric, who is served by Sunflower rather than KEPCo, is having to recover \$15,000,000 in additional costs for February from its members.

The KEC summer board meeting will be held in Overland Park July 31 through August 2. KEC is asking for trustee input on the courses they would like to see offered, and would like a response by April 30.

Zadorozny presented information required by the auditor on variances on several accounts, and the explanations given by staff. He also presented a copy of the letter required to be signed annually by staff at the time of the audit.

The 2020 Audit report was presented for consideration. Zadorozny felt it was a good audit, with no journal entries being required. After discussion, it was moved by Don Land, seconded by Steve Clark, and unanimously carried, to approve the audit as presented.

It was noted that CoBank's Sharing Success program opened April 1st for applications, and will run through October or until the funds are depleted. Charles McMillan suggested application be made for funds for the Chautauqua park equipment, but he will get an estimate first and report back.

Craig Lampson reported that we have been asked to change out some poles for the Burden Rodeo Association. They will cover materials needed, but would like us to cover labor, which staff has agreed to.

Policies #404, #405, #408 and #409 were presented as reviewed by staff with no suggested changes. After discussion, it was the consensus to show that these were also reviewed by the Board with no changes.

Allen Zadorozny reported that the Cedar Vale school board gave permission last night for Caney Valley to hold our annual meeting at the school in August, providing no additional COVID concerns arise again prior to then. Staff will start taking steps necessary to prepare for the meeting. A nominating committee will probably need to be selected at the May board meeting.

Chris Kelly did not have a KEC report, as the next meeting is not until May.

Dan Hubert reported on the KEPCo meeting held March 18. He noted the approval given to recover costs of the February cold spell through the ECA over a 24-month period, in order to help all member cooperatives and their members. Mark Barbee reported that Wolf Creek started a scheduled shut-down on March 25. The Sharpe station ran from February 12-20, which helped hold down energy costs during that period. The next board meeting is scheduled for this Thursday.

Upcoming meetings include the KEC Board meeting in Wichita May 5-6, and the KEPCo Board meeting in Topeka April 14-15.

The following February 2021 Inventory of Work Orders was presented for consideration: #868 for \$23,730.84. It was moved by Chris Kelly, seconded by Dan Hubert, and unanimously carried, to approve this Work Order as presented.

Allen Zadorozny mentioned that the Sedan school was asking if anyone would like to present the Caney Valley scholarships at their awards assembly May 14. Zadorozny was asked if he would be able to do so, and he agreed.

Craig Lampson reported that we have lost 8 poles so far due to pasture fires, two of which were transmission poles. Staff suggested that we write letters to those burning and/or the land owners asking them to be more careful so that we do not have to start charging for pole replacements. Staff may also increase news articles prior to the burning season, to remind all members of the costs of poles and repairs that have to be done. Lampson also reported on a fire at an old house that was started when a tree limb fell and broke our triplex. Thankfully we had crews about a mile away, and they were able to get the fire out and save the house. He also reported on upcoming new service projects.

Chris Kelly reported on one of the local schools being advised by some entity not to pay their utility bills due to excessive energy costs as a result of the February cold spell. He also asked if Caney Valley does drug and alcohol testing on employees. It was reported that random drug and alcohol testing is done on CDL employees, with all employees being subject to testing for just cause.

There being no further business to come before the trustees, it was moved by Dale Steward, seconded by Dan Hubert, and unanimously carried, to adjourn at 8:41 p.m.

ATTEST:

/S/ Kenneth Bates, President

/S/ Chris Kelly, Secretary