

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 9, 2024, at Cedar Vale, State of Kansas, at 7:00 p.m.

The meeting was called to order by President, Chris Kelly, 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:

Trey Clapp	Stephanie Ollenborger	Steve Clark
Barry Speer	Alex Fulsom	Dan Hubert
Steve Warburton	Chris Kelly	Levi Lear

Others present for the meeting were Allen A. Zadorozny, Manager, Paul Buck, Attorney, Craig Lampson, Montana Johnson, and Kitty Sweaney. Fulsom and Buck participated via Zoom. Chairman Kelly declared the meeting duly organized for the dispatch of such business as might come before it. Trey Clapp offered a prayer, and Kelly opened with the flag salute. Levi Lear was welcomed to the Board.

Consideration was given for requests for changes to the Agenda or for any executive sessions. Allen Zadorozny noted that the audit report was received, and he would like a short review following the manager's report. Steve Clark asked for a short discussion about the annual meeting, which can be done under #11 Annual Meeting Review. Clark also asked about adding a discussion on tree trimming, and this was added with the monthly right-of-way clearing expense review.

The first order of business was the annual election of officers. It was moved by Barry Speer, seconded by Trey Clapp, and unanimously carried, that the current slate of officers be retained for the coming year, i.e., President – Chris Kelly, Vice President – Steve Clark, Secretary/Treasurer – Stephanie Ollenborger.

The next order of business was review of the minutes of the regular board meeting of March 12, 2024. It was moved by Dan Hubert, seconded by Barry Speer, and carried with Levi Lear abstaining, that the minutes be approved as mailed.

The Board then considered the new membership list. After review and on motion by Steve Clark, second by Stephanie Ollenborger, it was unanimously carried to approve the new members as presented.

The Board reviewed the February expenditures, with a short discussion on the cameras installed in the Caney and Sedan substations.

The Operations, Loss Control & Safety Report was reviewed including new consumers' line extensions, outages, safety meeting minutes and transportation. Allen Zadorozny mentioned that the annual wage opener under the union contract was held, and a wage increase for the line workers was negotiated down from 7% to 4%. He noted that the union wage increases are used as a guideline when the wage increases for office staff are considered, but may not be exactly the same. Craig Lampson mentioned that the annual right-of-way spraying is scheduled to start May 1st on the Sedan and Cedar Vale substations. It was moved by Trey Clapp, seconded by Barry Speer, and unanimously carried, to approve the safety meeting minutes as presented.

Paul Buck reported that Marla Ware had filed a petition for judgment against a member while still working for the Board, and received a default judgment. When Buck was retained by the Board, a foreign judgment was filed in Cowley and Sedgwick counties, which resulted in Caney Valley Electric receiving full payment plus interest from the member in March for around \$24,000.

Allen Zadorozny then reviewed the February financial statements. Margins for the month were \$125,017.22, bringing year-to-date margins to \$21,894.96. This compares to the 2023 year-to-date margins of \$103,316.87, and budgeted margins of \$43,917.00. Cash on hand totals \$1,524,072.95. It was noted that a digger truck ordered 2 years ago is scheduled to be delivered in June at a cost of around \$500,000, and we may need to draw down loan funds to cover it. There is still \$1,680,000 available on the current RUS-FFB loan that can be drawn down. Zadorozny reviewed the long-term debt-to-assets ratio, which dropped slightly to 44.9%. He also compared revenues and expenses against budget and the previous two years, and explained the TIER ratio required by our lenders. Meters billed drop to 5,167 from 5,178 in January. Cash revenues and expenditures were reviewed, as well as February power costs from KEPCo, TPI, and solar metering members. Right-of-way clearing expenses were presented for February. Discussion was held on the clearing and/or spraying that is done, and it was noted that our contractor is supposed to contact the property owners prior to doing anything to see if there are any concerns.

In his Manager's report, Zadorozny presented several long-term debt-to-asset ratios from other electric cooperatives. On a short discussion of capital credit payouts, he noted one of the results when a cooperative makes a general payment of capital credits is the number of checks returned due to outdated addresses and contact information.

Some general information gathered on the recent annual meeting was presented. Several compliments were heard on the meal, but there were complaints about the sound system and not being able to hear the speakers. Discussion was held on introducing all the employees at upcoming annual meetings, and noting their length of service to the cooperative.

CoBank opened their annual Sharing Success program on April 1 with a \$5,000,000 fund that matches customer donations to charities. We may apply for up to four matching grants, the total of which cannot exceed \$10,000. This will run through September 30 or the point at which the fund is exhausted. Discussion was held on our annual contribution to area 4-H clubs, and applying again for a matching grant through this program. There are currently 10 clubs in our service area. It was moved by Trey Clapp, seconded by Steve Clark, and unanimously carried, to donate \$1,000 (\$100 for each club), and apply for a matching grant through this program.

Policies #305, 306 and 309 were presented for review. There were no suggested changes by staff, so #305-Outage Calls and #306-Relocation of Facilities, were shown as reviewed by the Board. It was moved by Barry Speer, seconded by Steve Clark, and unanimously carried, to approve the suggested changes to Policy #309-Removal of Hedge, Trees or Brush.

Allen Zadorozny reported that we received the completed 2023 audit from Kelso Lynch CPA's. He asked that the trustees review it; and action to approve it can be taken next month. A short discussion followed on retaining the same auditors year after year, and the pros and cons of doing so.

Chris Kelly did not have a KEC report this month.

Dan Hubert reported on the recent KEPCo meeting. He noted that, following action taken at the last meeting to let the CEO go and many questions being asked, the trustees and managers are under a "gag order" as to what can be shared regarding that action. He will find out at next week's meeting what can be discussed on that situation. Mark Barbee had reported that natural gas prices are extremely low, and sales were about \$1,700,000 below budget due to mild weather. Wolf Creek is still running at 100%, but will shut down on the

28th for 42 days for refueling. Iatan II is offline due to the mild weather, and an update was heard from Guernsey on the rate design study.

The following February 2024 Inventory of Work Orders was presented for consideration: #904 for \$135,786.13. It was moved by Dan Hubert, seconded by Stephanie Ollenborger, and unanimously carried, that this Work Order be approved.

There being no further business to come before the trustees, it was moved by Alex Fulsom, seconded by Barry Speer, and unanimously carried, to adjourn at 8:52 p.m.

ATTEST:

/S/ Chris Kelly, President

/S/ Stephanie Ollenborger, Secretary