

## 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 12, 2022, 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
Don Land	Alex Fulsom	Dan Hubert
Steve Warburton	Chris Kelly	Charles McMillan

Others present for the meeting were Allen A. Zadorozny, Manager, Paul Buck, Attorney, Craig Lampson, Montana Johnson, and Kitty Sweaney. Counsel Buck participated via Zoom and telephone. Chairman Kelly declared the meeting duly organized for the dispatch of such business as might come before it.

Also present via Zoom and telephone was Jane Landrum, attorney with Evans & Dixon on behalf of Federated Rural Electric Insurance. Landrum updated the Board and staff regarding the current lawsuit brought by a property owner in Chautauqua County, offered options for the Board to consider, and answered several questions. Landrum left the meeting at 7:35 p.m., and discussion followed.

At 7:50 p.m., Don Land offered a prayer, and Chairman Kelly opened with the flag salute.

Consideration was given for requests for changes to the Agenda or for any executive sessions. As this was the first meeting following the annual meeting, it was mentioned that we needed to have the annual election of officers. It was then moved by Charles McMillan, seconded by Steve Warburton, and unanimously carried, that all officers remain the same, i.e.: President – Chris Kelly, Vice-President – Steve Clark, Secretary/Treasurer – Don Land.

The next order of business was review of the minutes of the regular board meeting of March 8, 2022. It was moved by Dan Hubert, seconded by Alex Fulsom, and unanimously carried, 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 Alex Fulsom, it was unanimously carried to approve the new members as presented.

The Board reviewed the February expenditures, with nothing out of the ordinary noted.

The Operations, Loss Control & Safety Report was presented, including accidents, new consumer's line extensions, outages, safety meeting minutes, and transportation. A question arose regarding safety when inclement weather arises. Staff advised that this is addressed in our safety rules as well as the union contract. It was moved by Don Land, seconded by Dan Hubert, and unanimously carried, to approve the safety meeting minutes as presented. It was noted that two new pickups were recently purchased, both of which were in the budget.

At 8:14 p.m. it was moved by Dan Hubert, seconded by Steve Clark, and unanimously carried, to go into executive session for a period of 15 minutes, with the Board, all staff present, and Counsel Buck, to discuss items under attorney/client privilege. At 8:27 p.m., it was moved by Charles McMillan, seconded by Stephanie Ollenborger, and unanimously carried, to return to regular session.

Allen Zadorozny then reviewed the February financial statements. Margins for the month were \$68,973.52, bringing year-to-date margins to a loss of \$14,701.10, about \$19,000 below budget. Another payment was made on the CoBank line-of-credit, bringing the balance down to \$275,000. The long-term debt-to-assets ratio dropped slightly to 44.8%. Zadorozny compared revenues and expenses to budget and the previous two years, cash receipts and expenditures, the power bill, and the right-of-way clearing expenses.

In his Manager's report, review was given to the recent annual meeting. Suggestions were given to reduce expenses on attendance prizes and improve the meal instead.

Today's Power staff met recently with Montana Johnson regarding four possible sites for the solar generation project. Johnson updated the Board on the suggested property to pursue first, and discussion followed regarding talking with the property owner and the recommended offer for the site. TPI also left a contract, which Counsel Buck will review, and he added that language should be included stating that "the land offer should be contingent upon soil results." Steve Clark and Dan Hubert both volunteered to go with staff to approach the land owner. Following discussion, it was moved by Steve Clark, seconded by Dan Hubert, and unanimously carried, to cap the purchase of the property at \$75,000.

Consideration was given to the annual donation to the area 4-H clubs. It was moved by Steve Warburton, seconded by Steve Clark, and unanimously carried, to donate \$1,100 to the Kansas 4-H Foundation, and apply for matching funds from CoBank's Sharing Success Program, to be dispersed to the 11 clubs in our service area.

Manager Zadorozny advised that, due to the rising interest rates, we may go ahead and draw down all funds available on the current RUS-FFB loan due to some upcoming large expenditures. Interest rates on funds received in December were at 1.777%. They are currently at 2.8% and expected to rise another 2.5% over the next several months.

The 2021 audit was completed by Kelso-Lynch CPAs, and copies of the audit and the report to the Board were included with the board packets. After discussion, it was moved by Steve Warburton, seconded by Stephanie Ollenborger, and unanimously carried, to approve and accept the audit as presented.

An audit proposal was received from Kelso-Lynch for a two-year period, 2022-2023, at a cost of \$9,600 and \$9,800 respectively, and \$1,900 for the preparation of the Form 990 for each year. After discussion, it was moved by Steve Warburton, seconded by Dan Hubert, and unanimously carried, to approve the audit proposal from Kelso-Lynch for the two years.

Chris Kelly did not have a KEC report this month.

Dan Hubert reported on the recent KEPCo meeting, held via conference call. The CEO at Wolf Creek reported on activities there: five of the casts to seal the nuclear rods were completed and are in dry storage, and this year is a refueling year. Fuel has been secured for several years at a lower cost, and credits have been received for power purchased during February 2021's extreme weather event, which will shorten the months KEPCo has to recover costs. The next meeting is next week.

The following February 2022 Inventory of Work Orders was presented for consideration: #880 for \$31,430.36. It was moved by Steve Clark, seconded by Stephanie Ollenborger, and unanimously carried, to approve this Work Order as presented.

There being no further business to come before the trustees, it was moved by Alex Fulsom, seconded by Dan Hubert, and unanimously carried, to adjourn at 9:54 p.m.

/s/ Chris Kelly, President

/s/ Don Land, Secretary