

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, August 9, 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, Oscar Mattocks, Montana Johnson and Kitty Sweaney. Also present was Jane Landrum, attorney representing Federated Rural Electric Insurance. Landrum and Buck both participated via Zoom. Chairman Kelly declared the meeting duly organized for the dispatch of such business as might come before it.

Landrum gave a quick update to the Board regarding the status of current lawsuit against the cooperative, and left the meeting at 7:09 p.m.

Chris Kelly then offered a prayer and led the flag salute.

Consideration was given for requests for changes to the Agenda or for any executive sessions. There were none.

The next order of business was review of the minutes of the regular board meeting of July 12, 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 Warburton, second by Trey Clapp, it was unanimously carried to approve the new members as presented.

The Board then reviewed the June expenditures.

Old accounts in the total amount of \$813.26 were presented for consideration. It was moved by Dan Hubert, seconded by Steve Clark, and unanimously carried, to turn these over for collection as presented.

The Board then reviewed the Operations, Loss Control & Safety Report, including accidents, new consumers' line extensions, outages, safety meeting minutes and transportation. It was moved by Don Land, seconded by Dan Hubert, and unanimously carried, to approve the safety meeting minutes as presented.

Counsel Buck then updated the Board on the progress of the solar project. The original contract for the land purchase had a 60-day option, with 2 extensions of 30 days each allowed. The first 30-day extension was exercised on July 29th.

Manager Zadorozny then reviewed the June financial statements. A very large loss of \$195,703.33 for the month was incurred due to the high power bill. This brought year-to-date to a loss of \$209,991.63, which compares to a budgeted loss of \$92,254.48, and year-to-date a year ago of \$32,180.39. Due to another high

power bill for July, the cooperative will experience another loss for July. However, revenues should “catch up” in the fall and normal positive margins should follow. The economic development loan was paid off at the end of June. The long-term debt-to-assets ratio was nearly the same at May at 47.0%. Zadorozny compared revenues and expenses against budget and the previous two years. The number of meters billed dropped by 6. Zadorozny also reviewed cash receipts and expenditures, the power bill, and right-of-way clearing expenses. Zadorozny then reviewed the TIER and DSC ratios required by RUS and CFC.

Emails and correspondence regarding the proposed property for the solar generation project were presented for review. Discussion was held on the surveying requirements for the property.

KEPCo’s engineering service, KSI, completed an updated 10-year load forecast for the cooperative. The load forecast is required by RUS as part of long-term loan applications and construction work plans. Due to historical trends, the forecast shows load requirements declining slightly for the next 10 years.

Annual insurance coverage for the cooperative renews every two years in October. Copies of the coverages were provided to the Board for review. New insurances within the past 1-2 years include cyber liability and cyber disruption.

Due to the increased use of credit/debit cards by our members, fees are forecast to be over \$30,000 this year. Members are being informed via the monthly newsletter that bill payments made in this manner are an added expense to the cooperative, and they are being asked to consider paying by e-check, bank drafts, checks or cash.

A revision to board Policy #609-Arc Flash Rated Protective Clothing was presented, to show that the date of the Arc Flash Hazard Analysis was completed in June 2022. It was moved by Stephanie Ollenborger, seconded by Alex Fulsom, and unanimously carried, to approve the revision to this policy as presented.

Dan Hubert then reported on last month’s KEPCo meeting. He noted that there will be a strategic planning session in October. There was an increase in purchased power, with natural gas prices much higher this June. KSI held their 25th annual meeting recently, with Allen Zadorozny being elected to represent our district. Wolf Creek was shut down for a problem with a water valve, with the Sharpe station running well to cover in the meantime. The next meeting will be held next week.

Chris Kelly reported on the KEC summer board meeting which several trustees attended, with the board held immediately after. The board accepted the committee’s recommendation to hire a cyber specialist to keep abreast of all the activity occurring in cyber security. There were good sessions held for trustees on succession planning and rate making, and a proposed new trustee orientation class was discussed.

The following Inventory of Work Orders for June 2022 was presented: #884 for \$73,034.18. It was moved by Trey Clapp, seconded by Alex Fulsom, 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 Steve Clark, and unanimously carried, to adjourn at 8:28 p.m.

ATTEST:

/s/ Chris Kelly, President

/s/ Don Land, Secretary