

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 13, 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:

	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. Lear and Buck participated via Zoom. Chairman Kelly declared the meeting duly organized for the dispatch of such business as might come before it. Speer offered a prayer, and Kelly opened with 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 9, 2024. It was moved by Steve Warburton, 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 Dan Hubert, second by Stephanie Ollenborger, it was unanimously carried to approve the new members as presented.

The Board then reviewed the June expenditures.

Old accounts for collection were presented in the total amount of \$1,791.58. It was moved by Dan Hubert, seconded by Alex Fulsom, and unanimously carried, to turn these over for collection as presented.

The Board then reviewed the Operations, Loss Control & Safety report including accidents, outages and transportation. There were no new line extensions built in June, and a safety meeting was not held in July. Staff gave an update on the AMI meters that were installed in 2014. About half of them have had to be replaced, which was expected due to various failures over the years. It was noted that Caney Valley Electric received two awards at the recent KEC summer meeting, and the Board and staff reiterated that safety is the most important aspect of the crews' jobs. Safety will continue to be stressed daily and through monthly safety meetings.

Counsel Buck did not have a report this month.

Allen Zadorozny reviewed the June financial statements. We had an overall loss for the month of \$184,729.71, bringing year-to-date to a loss of \$275,777.36. This is always expected at this time of year, as revenues on May sales are matched against the June power bill, usually resulting in a large loss for the month. Cash on hand was \$1,632,265.12 as a result of receiving a draw down of \$700,000.00 on the RUS loan at the end of June. The draw down increased the long-term debt in the same amount. The long-term debt-to-assets ratio increased to 46.0% from 44.9% as a result of the draw down. Zadorozny compared actual income and expenses against the budget as well as the previous two years. Meters billed remained the same as May, but

were up slightly in July due to county fair accounts being connected. Cash income and payments were reviewed as well as the power bills and right-of-way clearing expenses for June.

Discussion followed on the KW demand charges on the KEPCo billings, and how the ratchet set on the peak in July or August affects the billings for the months of October through May. Zadorozny explained how the solar farm will help keep this ratchet lower and thus increase the savings on the power bills. So far to date we've had total cost savings of \$79,326.43. If savings continue as expected, the costs to install the solar project will be covered by mid-2025.

The Board was asked for any considerations for a donation under the CoBank Sharing Success program, but there were no suggestions this month.

Several policies were presented for consideration. Policy #410-Cooperative Personnel Purchase of Merchandise Through the Cooperative had suggested changes by staff. However, following a board suggestion that the phrase "If payment is not made in a timely manner..." be changed to "If payment is not made within 60 days..." The revisions will be presented for board action next month.

Policy #412-Next in Charge and #415-Sexual Harassment were reviewed following no suggested changes. It was moved by Barry Speer, seconded by Alex Fulsom, and unanimously carried, that Policy #416-Civil Rights be updated with the correct USDA website as presented.

Dan Hubert gave a report on the last KEPCo board meeting. The average cost of power in June was 8.04¢, and sales were 2.1% above budget. Iatan II resumed operations, and Wolf Creek is running at 100%. There was also an AI presentation. Allen Zadorozny was re-elected to the KSI board for district 1. The next meeting is this week August 14-15.

Chris Kelly reported on the KEC summer board meeting, which several trustees attended. Due to a change in printers, and more ads being accepted, the *Kansas Country Living* magazine is running profitably. Discussion was held on some of the speakers.

The following June 2024 Inventory of Work Orders was presented for consideration: #908 for \$103,999.49. It was moved by Barry Speer, seconded by Alex Fulsom, and unanimously carried, to approve this Work Order as presented.

There being no further business to come before the Board, it was moved by Alex Fulsom, seconded by Steve Clark, and unanimously carried, to adjourn the meeting at 8:28 p.m.

/S/ Chris Kelly, President

/S/ Stephanie Ollenborger, Secretary