

REGULAR BOARD OF TRUSTEES MEETING

The regular monthly meeting of the Board of Trustees of The Caney Valley Electric Cooperative Association, Inc., was held Wednesday, April 12, 2023 , at Cedar Vale, State of Kansas, at 5:00 p.m.

The meeting was called to order by President, Chris Kelly, who acted as chairman and presided at the meeting. Montana Johnson, Systems Operations Manager, recorded the minutes thereof until Kitty Sweaney, Accounting & HR Manager, arrived at 6:30 p.m.

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

Trey Clapp	Stephanie Ollenborger	Steve Clark
Barry Speer		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, Kitty Sweaney*, and Suzanne Lane. Trey Clapp and Paul Buck participated via Zoom. Chairman Kelly declared the meeting duly organized for the dispatch of such business as might come before it.

Suzanne Lane, CEO of Kansas Electric Power Cooperative (KEPCo), was introduced and spoke with the Board about what KEPCo does and who they are. Discussion was held on Wolf Creek and the length of time it's expected to provide nuclear power. After fielding several questions from the Board, Lane thanked them for their time and left the meeting at 6:30 p.m.

Chris Kelly then started the regular business meeting, and opened with the flag salute.

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

* Kitty Sweaney joined the meeting at this time.

The first order of business was the annual election of officers. It was moved by Charles McMillan, seconded by Steve Warburton, and carried, to nominate Chris Kelly to be elected/continue as President. There being no further nominations, it was moved by Dan Hubert, seconded by Barry Speer, and unanimously carried, that nominations cease. Kelly then called for a vote, and it was unanimously carried, that he be elected/continue as President. Dan Hubert then nominated Steve Clark as Vice-President. It was moved by Hubert, seconded by Trey Clapp, and unanimously carried, that nominations cease for Vice-President. Kelly then called for a vote, and it was unanimously carried that Clark be elected/continue as Vice-President. Steve Warburton then nominated Stephanie Ollenborger for Secretary/Treasurer. It was moved by Dan Hubert, seconded by Charles McMillan, and unanimously carried, that nominations cease. Kelly then called for a vote, and it was unanimously carried that Ollenborger be elected as Secretary/Treasurer. There being no requests for changes for the KEC and KEPCo board representatives, Chris Kelly and Dan Hubert, respectively, with Allen Zadorozny as alternate, will continue in those positions.

The next order of business was review of the minutes of the regular board meeting of March 14, 2023. It was moved by Steve Warburton, seconded by Barry Speer, 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 Dan Hubert, it was unanimously carried to approve the new members as presented.

The Board then reviewed the February expenditures.

One old account was presented for consideration. It was moved by Dan Hubert, seconded by Charles McMillan, and unanimously carried, that this account be turned over for collection as presented.

The Board then reviewed the Operations, Loss Control & Safety report, including accidents, new line extensions, outages, safety meeting minutes and transportation. A report was given on the air gun stolen out of the back shop when a door was left open.

*Counsel Paul Buck joined the meeting via Zoom at this time, 6:45 p.m.

Craig Lampson recognized the crews for their work the day of March 31 when extremely high winds broke several poles across the system, as well as the following day when they worked to make repairs. They were also noted for their work in getting the Grenola substation transformers moved and set earlier in the week, working alongside Evergy and KEPCo employees. The old transformer units will be sold to MidWest Electric. It was then moved by Steve Clark, seconded by Steve Warburton, and unanimously carried, to approve the safety meeting minutes as presented.

Counsel Buck did not have anything to report for this month.

Allen Zadorozny then presented the February 2023 financial reports. With good revenues and a lower power bill than projected, margins came in at \$83,125.15. This brought year-to-date margins to \$103,316.87, compared to a budgeted year-to-date loss of \$24,898.21, and a loss a year ago of \$14,701.10. Cash on hand is still around \$3,000,000, and the long-term debt-to-assets ratio remained the same at 46.1%. Zadorozny compared revenues and expenses to budget and the previous two years. He also reviewed revenues by class as well as cash receipts and expenditures.

Chris Kelly advised the Board that the bank is offering a 13-month CD rate that is paying a little over 3%, compared to the rate we are getting on our checking account, which is under 2%. He suggested we might move some of the funds into a CD. If funds need accessed earlier than expected, the penalty is equal to the last quarter of interest; so, as long as funds are kept in a CD for 6 months, we would come out ahead on the earnings. Zadorozny advised that he is considering this.

Zadorozny then also reviewed the February power bill and right-of-way clearing expenses.

In his Manager's report, Zadorozny presented listings of accounts turned over for collection during 2021 and 2022, with breakdowns of how much was paid back and returned to the cooperative.

The 2022 audit report had been mailed with the board book for the Board's review. After a short discussion, it was moved by Barry Speer, seconded by Steve Warburton, and unanimously carried, to approve the 2022 audit report as presented.

Information on the SunPowered Student Challenge program developed by Mark Scheibe, CEO of Heartland, along with Pitsco Education, Pittsburg, and KEC was presented. They have asked Kansas cooperatives for commitments to help fund the program in the amount of \$2,000 each. Manager Zadorozny reported that there is a "mixed" response from the cooperatives. No action was taken at this time.

CoBank has opened their Sharing Success program for 2023. Customers of CoBank may apply for up to 4 matching grants, with a maximum match per customer set at \$10,000. The program will run through

September 30, or at the point that the \$5 million fund is exhausted. Caney Valley Electric has been applying for a matching grant to help sponsor the 4H clubs in our service area the past several years. After discussion, it was moved by Stephanie Ollenborger, seconded by Steve Clark, and unanimously carried, to again make the annual donation of \$100 for each of the 4H clubs in our area, and apply to CoBank for matching grant funds. Allen Zadorozny suggested the Board might consider donating to the Emmet Kelly museum this year and applying for matching funds through this program.

The Board was asked for thoughts on how to improve the annual meeting. It was suggested that all nominees might be asked to set up front to be recognized and allowed to speak if they so wish. It was also suggested that maybe a board trustee recognize the line crews during the meeting.

The drilling reports were done on the solar generation project, but the cooperative staff has not yet received a copy.

Dan Hubert reported on the recent KEPCo meeting. February had low heating costs, which resulted in lower energy purchases and costs. Iatan II is still operating at market reserve, and there are 62 days of coal on hand. Wolf Creek had a recent zero-incidents safety record, and is rated the 3rd best in the world (out of 60-70 nuclear plants). It has been in operation for 38 years, and currently set to continue until 2045.

There has not been a recent KEC meeting. The next one is set for early May.

Upcoming meetings include the KEPCo board meeting April 26-27 in Topeka.

The following February 2023 Inventory of Work Orders was presented for consideration: #892 for \$66,937.38. It was moved by Steve Clark, seconded by Steve Warburton, and unanimously carried, to approve this Work Order as presented.

Due to Stephanie Ollenboger being elected as the new Secretary/Treasurer, it is necessary to change the signature cards at the banks that Caney Valley Electric utilizes. After discussion, it was moved by Barry Speer, seconded by Charles McMillan, and unanimously carried, that Stephanie Ollenborger be added and Don Land be removed from all signature cards on Caney Valley Electric accounts; i.e. Bank of Cedar Vale: accounts 370924 (checking) and 853895-50 (S125 account); Elevate Bank: accounts 251416 (checking) and 259258 (construction fund).

There being no further business to come before the Board, it was moved by Steve Warburton, seconded by Dan Hubert, and unanimously carried, to adjourn the meeting at 7:53 p.m.

ATTEST:

/S/ Chris Kelly, President

/S/ Stephanie Ollenborger, Secretary