

## 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, February 14, 2023, at Cedar Vale, State of Kansas, at 7:00 p.m.

Due to Chris Kelly being unable to attend in person, the meeting was called to order by Don Land, Secretary, 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	
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. Trustees Kelly and Ollenborger, and Counsel Buck, attended via Zoom. Chairman Land declared the meeting duly organized for the dispatch of such business as might come before it. Trey Clapp opened with prayer, and Land led the flag salute.

Consideration was given for requests for changes to the Agenda or for any executive sessions. Allen Zadorozny asked for an executive session to review an email received from Jane Landrum.

The next order of business was review of the minutes of the regular board meeting of January 10, 2023. It was moved by Trey Clapp, seconded by Dan Hubert, and unanimously carried, that the minutes be approved as mailed.

The Board then considered the new membership list. After review and on motion by Alex Fulsom, second by Charles McMillan, it was unanimously carried to approve the new members as presented.

The Board reviewed the December expenditures. Montana Johnson talked about the RMA expenditures, which related to keeping the GIS maps updated and cleaned up. Their fees vary depending on the number of work orders each month; however, they try to keep it to around 10 hours or less.

Old accounts in the total amount of \$1,352.40 were presented for consideration. It was moved by Dan Hubert, seconded by Trey Clapp, and unanimously carried, to turn these over for collection as presented.

The Board then reviewed the Operations, Loss Control & Safety report, including new consumers' line extensions, outages, safety meeting minutes, and transportation. Craig Lampson reported that Caney Valley is currently pulling Sumner-Cowley's Silverdale substation by backfeeding from Sedan while Evergy is doing work west of Ark City this week. The projected outage that was to happen on the Caney sub will not occur. Evergy contractors decided to do this work "hot." It was moved by Charles McMillan, seconded by Steve Warburton, and unanimously carried, to approve the safety meeting minutes as presented. It was noted that the new bucket truck that was in the 2022 budget is supposed to be delivered in April.

Counsel Buck had nothing to report for this month.

Allen Zadorozny reviewed the December financial statements. There was an operating loss for the month in the amount of \$51,125.71. However, with the required entry booked for the KEPCo patronage capital of \$46,748.16 and interest earned, margins for the month were a small loss of \$423.28. This brought year-to-

date margins to \$440,058.76, compared to a year ago of \$953,050.59 and budgeted margins of \$478,999.00. The Notes Payable line on the balance sheet now shows \$0.00 with the payoff of the CoBank line-of-credit. The long-term debt-to-assets ratio rose slightly to 46.2%, mostly as a result of several large cash payments made in December, which reduced assets. Zadorozny compared revenues and expenses against budget and the previous two years. He reviewed revenues by class, and discussed the Unbilled Revenue entry required by the auditors every December for the past several years. For 2022, this entry increased revenues in the amount of \$91,434.21. Zadorozny also reviewed cash receipts and payments for the month, noting large cash payments for property taxes, capital expenditures, and loan repayments. He then reviewed the KEPCo power bill and the right-of-way clearing expenses. Several miscellaneous year-end reports were presented for board review. It was noted that a couple large accounts in Cedar Vale have been disconnected; however, there are a couple others proposed on the system that may make up the loss in kilowatt hour sales.

In his manager's report, Zadorozny presented the 2022 year-end TIER and DSC figures of 1.79 and 1.6, respectively. Required minimums are 1.25 and 1.35.

Montana Johnson reported that soil samples were being taken on the solar project, but we have not heard from Today's Power recently.

On the RUS Construction Work Plan, RUS requires a board resolution to request an amendment for a two-year extension of time to access the "AE8" loan. After a short discussion, it was moved by Charles McMillan, seconded by Steve Warburton, and unanimously carried, that the following Resolution #2023-01 be approved:

**WHEREAS**, The Caney Valley Electric Cooperative Association, Inc., has an approved loan from the Rural Utilities Service (RUS) designated "AE8" that is reaching its date of automatic termination of the Government's obligation to advance remaining loan funds: and,

**WHEREAS**, the Board of Trustees of The Caney Valley Electric Cooperative Association, Inc, has reviewed the status of the construction Projects related to the 2018-2021 Construction Work Plan: and,

**WHEREAS**, the anticipated completion of the Projects and associated support documentation will not occur in time for The Caney Valley Electric Cooperative Association, Inc., to advance the remaining "AE8" loan funds prior to the RUS termination of obligation to advance loan funds date of September 29, 2023 (Automatic Termination Date):

**NOW, THEREFORE BE IT RESOLVED**, by the Board of Trustees of the Caney Valley Electric Cooperative Association, Inc., hereby requests that RUS approve an extension of the Automatic Termination Date for two years to September 29, 2025 and provide the necessary documents to complete this action.

Discussion was held on the upcoming annual meeting to be held March 16. Mark Barbee with KEPCo will be in attendance.

Chris Kelly gave a short report on the KEC annual meeting held in Topeka last month. The class on electric vehicles was very informative. Discussions were held on cooperatives having a special rate in place to promote charging vehicles at night during off-peak hours, and suggested Caney Valley may want to consider this at some point if the use of such vehicles increases in this area. He noted that having an electric vehicle may increase household kWh use by about 30%.

Dan Hubert was unable to attend the KEPCo meeting last month. However, Allen Zadorozny reported that 64.4% of the energy supplied by KEPCo in 2022 came from non-greenhouse-emitting resources, such as nuclear, hydropower, etc. Also, he noted that the cost KEPCo has been billing cooperatives over the past two years for the 2021 extreme weather event was paid off in January and will no longer be included on the wholesale power bills. The next meeting is this week.

The following December 2022 Inventory of Work Orders was presented for consideration: #890 for \$40,853.62 and #890-1 for \$153,677.05. It was moved by Trey Clapp, seconded by Dan Hubert, and unanimously carried, to approve these Work Orders as presented.

Chris Kelly reported that he received a letter from the auditors advising that the 2022 audit would be scheduled. The Board was advised that the auditors have been requesting documents for several months, and may or may not actually come to the office for the audit work.

At 8:39 p.m. it was moved by Trey Clapp, seconded by Alex Fulsom, and unanimously carried, to go into executive session for a period of 10 minutes with all staff present, to discuss items under attorney/client privilege regarding a land dispute. At 8:44 p.m. it was moved by Steve Warburton, seconded by Charles McMillan, and unanimously carried, to return to regular session.

Don Land thanked the staff for all the work put into preparing the year-end reports for the Board.

There being no further business to come before the Board, it was moved by Trey Clapp, seconded by Alex Fulsom, and unanimously carried, to adjourn at 8:45 p.m.

ATTEST:

/S/ Chris Kelly, President

/S/ Don Land, Secretary