

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, March 14, 2023 , 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, Craig Lampson, Montana Johnson, and Kitty Sweaney. Chairman Kelly declared the meeting duly organized for the dispatch of such business as might come before it. Trey Clapp offered a prayer, and Kelly 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 February 14, 2023. It was moved by Steve Warburton, 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 Dan Hubert, second by Alex Fulsom, it was unanimously carried to approve the new members as presented.

The Board reviewed the January expenditures. It was noted that it cost the cooperative approximately \$30,000 as a result of 17 poles being broken in the recent high wind storm. Franchise taxes for July 1 through December 31 were paid in January to all the cities.

Old accounts in the total amount of \$255.74 were presented for consideration. It was moved by Steve Clark, seconded by Dan Hubert, and unanimously carried, to turn these over for collection as presented. Clark asked what amount or percentage Caney Valley has actually collected from old accounts that get turned over. Staff will check into this and report back.

The Board 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 Stephanie Ollenborger, and unanimously carried, to approve the safety meeting minutes as presented.

Counsel Buck was not present, and had advised he had nothing to report.

Allen Zadorozny then went over the January financial statements. Due to high revenues for a cold snap in December, margins came in at \$20,191.72 compared to a budgeted loss of \$10,866.67. This compares to a loss of \$83,674.62 in January of 2022. He noted on the balance sheet that the Notes Payable was zero due to the CoBank line-of-credit being paid off in December. The long-term debt-to-assets ratio has stayed fairly steady since November, at 46.1%. Zadorozny compared revenues and expenses against budget and the previous

two years. He also received cash receipts and expenditures, as well as the power bill and right-of-way clearing expenses.

In his Manager's report, Zadorozny noted that meters billed were 23 less than a year ago, and there were 1,279 meters that used 100 kWhs or less for the month, which comes to 24.4% of total meters.

Information from a rate consultant's presentation and Heartland Electric Cooperative's electric vehicle rate were presented. A map showed Chautauqua County with 3 EV's, and Elk County with none. It was noted that we may need to put a special rate in place within the next couple of years, if their popularity continues to grow.

Information on donations given 2019 – 2022 was presented for the board's review.

Due to inquiries from employees regarding hardship withdrawals from the 401(k) Plan, staff was able to obtain information from NRECA to consider amending the Plan with withdrawal options. A proposed Adoption Agreement and Board Resolution were presented. After discussion, it was moved by Trey Clapp, seconded by Alex Fulsom, and unanimously carried, to approve Resolution #2023-02 authorizing the amendment of the 401(k) Pension Plan:

WHEREAS, The Caney Valley Electric Cooperative Association, Inc., is participating in the 401(k) Pension Plan (the "401(k) Plan"), and;

WHEREAS, The Board of Trustees of Caney Valley Electric Cooperative Association, Inc. ("the Board") now desires to amend these plans pursuant to Section 18.2 of the 401(k) Plan pension documents, and does hereby authorize the amendment effective May 1, 2023, by executing the appropriate Adoption Agreements;

BE IT RESOLVED, that the amendment to the 401(k) Plan is as follows:

In-Service Distributions – Hardship

The Caney Valley Electric Cooperative Association, Inc., shall add the Hardship Distribution option to the Plan. Effective May 1, 2023, a Participant shall become eligible to request an in-service distribution upon financial hardship (as defined in Paragraph 14.17 of the Plan) prior to his or her actual retirement or other termination of employment.

In-Service Distributions – Age 59 ½

The Caney Valley Electric Cooperative Association, Inc., shall amend the plan to add an In-Service Distribution Option following NRD and Age 59 ½ – A Participant shall become eligible to receive an in-service distribution upon the attainment of the later of Age 59 ½ or Normal Retirement Date based on the attainment of Age 62.

BE IT FURTHER RESOLVED, that the Board does hereby authorize and direct the General Manager to execute all necessary documents and to take any and all further actions necessary to carry out the intentions of the Board as indicated in this resolution.

As Suzanne Lane, Executive Vice President & CEO of KEPCo, would like to meet with the Board on April 12, consideration was given to changing the April board meeting to that evening. After discussion, and barring any Bylaw requirements, it was moved by Stephanie Ollenborger, seconded by Alex Fulsom, and unanimously carried to change the April board meeting from April 11 to April 12, meet with Ms. Lane at 5:00 p.m., and hold the regular meeting immediately following.

No information has been received as far as the progress on the solar generation project.

The cooperative's annual meeting is this Thursday. Don Land gave a short report for the scholarship committee and their selection of 7 winners. He noted that all were very strong applicants.

Dan Hubert reported on the KEPCo meeting held mid-February. It was reported there were a lot fewer heating days in January. Natural gas dropped about 40%. Wolf Creek ran at 100%, and Iatan II has been offline for a time. There is 47 days' worth of coal available. The board discussed installing two EV charging stations at KEPCo, but no decision was made.

Chris Kelly reported on the KEC meeting held earlier this month. He noted that they will allow cooperative's not currently taking the KCL magazine to receive it for a trial period. A Heartland director is proposing a solar educational program be offered to area schools at an approximate cost of \$7,500 for each cooperative. Manager Zadorozny gave out a copy of the proposed program.

Upcoming meeting include the KEPCo board meeting in Topeka March 23.

The following Inventory of Work Orders for January 2023 was presented for consideration: #891 for \$50,338.74. It was moved by Steve Clark, seconded by Dan Hubert, and unanimously carried, to approve this Work Order as presented.

It was asked if the easement on the land dispute had been finalized yet. Zadorozny reported that Counsel Buck had advised that the opposing attorney had just gotten back with him today, and nothing is finalized as of yet.

There being no further business to come before the Board, it was moved by Alex Fulsom, seconded by Steve Warburton, and unanimously carried, to adjourn the meeting at 8:37 p.m.

ATTEST:

/S/ Chris Kelly, President

/S/ Don Land, Secretary