



**Thursday,
March 20, 2025**

**SCHOOL
GYMNASIUM**
CEDAR VALE, KANSAS

5 P.M.
**FREE MEAL
REGISTRATION
ENTERTAINMENT**

6:30 P.M.
**BUSINESS
MEETING**

According to Article II, Section 7 of Caney Valley Electric's Bylaws, the order of the business meeting shall be as follows:

- ▶ Call to order
- ▶ Proof of notice of meeting to members
- ▶ Reading of minutes of the last meeting
- ▶ Election of Position 1 Trustees
- ▶ Business, old and new
- ▶ Attendance prizes
- ▶ Adjournment

FROM THE GENERAL MANAGER

Manager's Report

REPORT ON 2024 FINANCIALS

The 2024 financial and statistical reports continue to reflect the challenges the cooperative meets to provide reliable electric service at the lowest cost. The number of meters served averaged 5,184 in 2024. Ten years ago, the number was 5,574. The yearly downward trend continues causing fewer service sites to help cover the steadily increasing operating expenses and infrastructure maintenance.

The kilowatt (kWh) hour sales have remained in the 60,000,000 range each year since 2016, causing yearly revenues to remain constant. The operating expenses have increased by 25% in that time, resulting in inadequate funding. In order to comply with financial requirements, these circumstances require the cooperative to consider an electric rate increase. The board of trustees and staff monitor these conditions to delay rate changes as long as possible, and to minimize the rate increases that must be made. Any rate increase will be made by increasing the fixed customer charge per meter rather than increasing the kWh charge. The revenue derived from the customer charge is a defined amount, while revenue from kWh sales fluctuates due to weather patterns and the number of electric customers.

Preliminary consideration of a rate increase includes applying it in January 2026. Cooperative members will be notified in the cooperative's monthly newsletter, THE VOICE, when the board of trustees will meet to discuss the proposed rates. The meeting will be open to all members. Action on the rates may be taken at that meeting.

SOLAR GENERATION

The Caney Valley Board of Trustees took measures to help control and reduce the wholesale power costs by entering into a purchase power agreement with Today's Power. Today's Power constructed a 1,000 kW capacity solar generation facility on land purchased by the cooperative near the Sedan substation. The 25-year agreement states that the cooperative will purchase electricity generated by the solar array field at a fixed low cost of 3.7¢. Today's Power owns and operates 100% of the solar array. It began operation in November 2023. Today's Power has similar solar generation projects in operation with other Kansas, Arkansas and Nebraska electric cooperatives.

The solar generation reduces the power cost adjustment (PCA) that is

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MEET OUR BOARD



Chris Kelly
PRESIDENT
Grenola



Steve Clark
VICE PRESIDENT
Havana



Stephanie Ollenborger
SECRETARY-TREASURER
Grenola



Trey Clapp
TRUSTEE
Cedar Vale



Alex Fulsom
TRUSTEE
Howard



Dan Hubert
TRUSTEE
Sedan



Jack Newcomb
TRUSTEE
Elk City



Barry Speer
TRUSTEE
Cedar Vale



Steve Warburton
TRUSTEE
Cedar Vale

Manager's Report *Continued from page 12A* ▶

applied to the electric bills. In 2024, the savings to the members was \$220,032 from 2,500,475 kWhs generated. This reduced the PCA \$0.003/kWh, or \$3 per 1,000 kWhs.

SYSTEM MAINTENANCE AND RELIABILITY

In order to continue access to available Rural Utilities Service (RUS) low-rate loan funds, the cooperative has completed a new four-year construction work plan covering 2025 through 2028. The work plan is the basis for the cooperative's RUS loan application of \$6,283,000. The loan funds will enable the cooperative to continue line improvements, maintenance, and new service sites. Proper planning is vitally important to provide reliable continuity of service to the members.

During 2024, the linemen completed work which included system improvements, individual member service upgrades, and general maintenance, throughout the cooperative's utility system. Included were 30 new services. This year's line work added \$1,444,972 to the book value of the cooperative's overall electric utility system.

Trees and brush account for a large portion of outages. Clearing power lines is necessary to provide dependable, reliable service. The cooperative allocates significant expenditures each year to help control line rights-of-way: \$379,017 was invested in 2024.

Additionally, line loss (the electricity lost as it moves through the electric lines and equipment) is significantly increased when trees contact lines and equipment.

To reduce right-of-way problems, we work with members to obtain permission to trim or cut trees. When possible, steps are taken to permanently remove the trees so the area does not have to be revisited.

As conditions allow, spraying the cleared right-of-way is completed to prevent regrowth. The right-of-

way clearing work is performed by cooperative employees and contract companies to maintain a systematic clearing throughout the system and to take care of individual problems as they arise. Other right-of-way clearing programs include partial reimbursement to landowners who do pre-approved clearing themselves, and the hiring of area contractors.

AUTOMATED METERING INFRASTRUCTURE

2024 was the cooperative's tenth full year with the automated metering infrastructure (AMI) system. Benefits of AMI include:

- ▶ Instant meter outage locations, which leads to improved time in restoring power.
- ▶ Real-time metering information, including electric usage which is available on various time intervals showing kWh consumption and kW demand required. Voltage, amperage and phase of service are available. Daily electric usage can be used to help explain questions about high bills.
- ▶ Electric service to residential and single-phase commercial accounts is connected and disconnected remotely.
- ▶ All meter readings are collected electronically at the office.
- ▶ Members can choose to receive paperless bills, saving postage and delays.
- ▶ Payments can be made online, over the phone with e-checks or credit/debit cards, and automated bank withdrawals.

Members are encouraged to take advantage of the cooperative's website, which provides important information about the cooperative's operations, bill payment methods, billing statements, newsletters and rebates.

SAFETY AND COMMUNITY

Safety is a cornerstone of the cooperative's philosophy and operations. Our linemen take pride in performing

their hazardous, daily assignments in a safe and professional manner. The cooperative holds monthly safety meetings with all employees to prepare them to include safety practices and awareness in all facets of their work.

The community is also encouraged to be mindful of electrical hazards. Electric safety practices and reminders are included in our monthly newsletters in the *Kansas Country Living* magazine and in notices in area publications. We provide electrical safety demonstrations

in area schools each year to promote safety awareness at an early age. We encourage all members to recognize the need for safety education and awareness.

REGULATIONS

Every year there are numerous state and federal proposals being considered, which will significantly affect the availability and cost of reasonably priced electricity to the average consumer. Caney Valley

Electric is a member of Kansas Electric Cooperatives, Inc. and the National Rural Electric Cooperative Association, both of which are influential organizations that continue to represent your best interest in the state legislature and Congress.

As always, the board of trustees, management and staff are dedicated to providing you with reliable electric service. We appreciate your support as we work together to make our area of Kansas an enjoyable place to live.

2024 ANNUAL MEETING MINUTES

The 76th Annual Meeting of the Members of The Caney Valley Electric Cooperative Association, Inc., was held at the school gymnasium, Cedar Vale, Kansas, on March 14, 2024, at 6:30 p.m. Registration of the members began at 5 p.m.

Chris Kelly, President of the Board of Trustees, called the meeting to order and led all in the flag salute. He welcomed all members and guests present and introduced the board of trustees.

Interim Counsel Marla Ware provided evidence of the mailing of the official notice of the meeting as required in the bylaws, and advised that roll call of the members was done by registration as each member entered the building. She also certified that a quorum was present.

Secretary/Treasurer Stephanie Ollenborger asked if the members would like the minutes of last year's annual meeting read; however, it was moved, seconded and carried that the reading of the minutes be waived, and the minutes be approved as printed in the annual report.

In accordance with the bylaws, a Nominating Committee met and made their nominations for each trustee position that is open this year. A list of the nominees was presented to the members as follows: District 1 – **STEVE WARBURTON** and **SARA HISEL**; District 2 – **CHRIS KELLY**; District 3 – **CHARLES MCMILLAN**, **BILLY MCGUIRE** and **LEVI LEAR**.

A request was made for other nominations from the floor. No other nominations were made. All nominees were introduced and spoke to the audience. It was moved, seconded and carried in each district that nominations cease, voting was then ordered.

The following teller committee was appointed, consisting of at least two members from each district to count ballots after the voting is held for election of trustees: District 1 – Faye Melton and William J Myers; District 2 – Kathy Evans and Brittany Maddox; and District 3 – Angela Evans and Blenda Banks.

President Kelly then asked for any old business. There being none, he asked for any new business. There was no new business presented.

General Manager Allen Zadorozny introduced special guests, Doug Blex, District 12 State Representative; Suzanne Lane, Executive Vice-President/CEO with Kansas Electric Power Cooperative (KEPCo), and Lee Tafanelli, CEO, Kansas Electric Cooperatives, Inc.

Blex emphasized the vital role electric cooperatives provide in the economy and lifestyle of rural Kansas. Lane explained the power supply mix provided to our cooperative. Tafanelli stressed the reliability of power to our cooperative.

A service award was presented to Becky Williams for 40 years of service.

Manager Zadorozny thanked the Cedar Vale Board of Education, Superintendent Lance Rhodd, Principal Jackie Burdette and staff, for allowing Caney Valley to use the facilities for the annual meeting, the Cedar Vale Lions Club for providing and serving the meal, Rosie Sweaney for providing musical entertainment, the Cedar Vale Library Board and director for help with child care, the Board of Trustees, and the Caney Valley employees for all they do.

In his annual manager's report, Manager Zadorozny described the 2023 operations as adequate. Caney Valley Electric did meet all the financial standards. The solar generation unit near Sedan will help control the PCA factor on the members' bills. It is a challenge to cover expenses due to the general reduction of consumers and kilowatt usage. There were no questions or comments from the audience. He encouraged all members to call or stop by the office to visit with him as to any concerns they may have.

Vice President Steve Clark recognized the lineman for their dedication in providing reliable service.

Manager Zadorozny introduced the following scholarship winners for the 2024-2025 school year: Shyann Bonnell, Cedar Vale High School; Cara Black, Sedan High School, Abigail Campbell, Sedan High School, Tyler Moore, West Elk High School, and Savannah Stroot, West Elk High School. Winners present came forward to be introduced and received their scholarships. Luke Hert, Sedan High School, and Tristan Wade, Sedan High School were unable to attend.

Manager Zadorozny announced Kase Kill, West Elk High School, who was selected to attend the Cooperative Youth Leadership Camp in Steamboat Springs, Colorado, in July. Clancy Cummings, West Elk High School, and Natalie Shelton, Dexter High School, were unable to attend.

Counsel Ware then gave the results of the balloting for trustees for Position 3 in each district:

- ▶ District I – **STEVE WARBURTON**, Cedar Vale
- ▶ District II – **CHRIS KELLY**, Grenola
- ▶ District III – **LEVI LEAR**, Sedan

Drawings were held throughout the meeting for numerous attendance prizes. Richard Miller won the grand prize of a 55" TCL TV and Hilda Kelley won a 43" TCL TV. The following vendors provided several prizes for the members: Border States Industries, LLC; Short Stop II, LLC; KEPCo; KSI Engineering and Poor Boy.

There being no further business, the meeting was adjourned.

2024 ANNUAL REPORT

Financial Reports

OPERATING STATEMENT

FOR YEAR ENDING DEC. 31, 2024 (UNAUDITED)

REVENUES

SALES OF ELECTRICITY:

Rural Residential Service	\$ 3,630,715
Town Residential Service	\$ 1,857,548
Commercial Service	\$ 3,786,252
Schools, Churches & Public Buildings	\$ 38,338
Street Lighting	\$ 295,053
Total Revenue from Sales	\$ 9,607,906
Other Revenue	\$ 56,631
TOTAL REVENUE	\$ 9,664,537

EXPENSES

Purchased Power	\$ 5,016,000
Transmission Expense	\$ 35,441
Line Operating Expense	\$ 728,373
Line Maintenance Expense	\$ 1,321,919
Consumers' Account Expense	\$ 413,289
Administrative & General Expense	\$ 761,064
TOTAL OPERATING EXPENSES	\$ 8,276,086
Depreciation Expenses	\$ 915,068
Other Deductions	\$ 11,020
Interest Expenses	\$ 511,261
TOTAL EXPENSES	\$ 9,713,435
Patronage Capital & Operating Margins	\$ -48,899
Non-Operating Margins — Other Income	\$ 115,907
NET MARGINS	\$ 67,008

OPERATING STATISTICS

	2023	2024
Customers Served (average)	5,212	5,184
kWh Sold	59,908,544	59,743,430
Total Revenue	9,635,436	9,664,537
Purchased Power	4,909,198	5,016,000
Operating Expenses	3,237,946	3,260,085
Depreciation Expenses	882,902	915,068
Interest Expenses	520,398	511,261
Other Expenses	13,410	11,020
Operating Margins	71,583	-48,898

2024 COUNTY TAX DISTRIBUTION

Caney Valley Electric was assessed \$278,943.59 in property taxes for 2024. This amount is a decrease of \$32,593.88 from taxes assessed in 2023 — down 10.5%, and down 27% from 2021. The details in the chart show the amount of taxes paid to each county the past four years.

Although your cooperative signs the check that pays for the property taxes, we realize that you, our members, actually pay the bill. We want to report where some of your money goes when you make a payment each month. A fair portion of that goes to pay property taxes, and that in turn helps the communities in our area.

BALANCE SHEET

AS OF DEC. 31, 2024 (UNAUDITED)

WHAT WE OWN

Lines, Buildings & Equipment	\$ 37,290,762
Less: Depreciation Reserve	\$ 10,944,049
Net Plant	\$ 26,346,713
Cash (General & Construction Fund)	\$ 631,404
Short-Term Investments & Equities	\$ 4,062,093
Consumers' Accounts Receivable	
Less: Provision for Uncollectable Accounts	\$ 418,354
Materials & Supplies	\$ 373,863
Prepayments & Deferred Charges	\$ 927,403
Deferred Debits	\$ 180,367
TOTAL ASSETS	\$ 32,940,196

WHAT WE OWE

Amount Borrowed from RUS	\$ 8,867,373
Amount Borrowed from CFC/CoBank	\$ 6,069,805
Net Long-Term Debt	\$ 14,937,178
Notes & Accounts Payable	\$ 469,659
Consumers' Energy Prepayments, Deposits, Etc.	\$ 155,171
Owed for Interest, Taxes & Insurance	\$ 317,296
Other Deferred Credits	\$ 99,450

OUR NET WORTH

Membership Fees	\$ 13,350
Other Equities	\$ 6,027
Patronage Capital Credits	\$ 16,875,056
Other Margins (unallocated)	\$ 67,009
TOTAL NET WORTH	\$ 16,961,442

TOTAL LIABILITIES & NET WORTH \$ 32,940,196

CO-OP STATISTICS

	2021	2022	2023	2024
Average Consumers	5,248	5,253	5,212	5,184
Miles of Line	1,731	1,724	1,724	1,722
kWh Purchased	63,797,696	67,280,127	64,023,380	63,818,058
kWh Sold	59,590,460	61,382,818	59,908,544	59,743,430

PROPERTY TAX COMPARISON

	2021	2022	2023	2024
Chautauqua	233,352.02	230,573.70	191,241.58	170,813.71
Elk	53,903.60	52,421.40	44,529.60	40,766.92
Cowley	72,927.82	70,739.22	58,149.46	51,793.46
Montgomery	21,281.48	20,680.36	17,196.66	15,170.04
Butler	482.44	480.76	424.16	399.46
TOTALS	381,947.36	374,895.44	311,541.46	278,943.59