

## 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, December 12, 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. Montana Johnson, Systems Operations Manager, recorded the minutes thereof.

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

Trey Clapp	Stephanie Ollenborger	Steve Clark
Barry Speer	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, and Montana Johnson. Chairman Kelly declared the meeting duly organized for the dispatch of such business as might come before it, and opened with a prayer and 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 November 14, 2023. 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 Steve Clark, second by Dan Hubert, it was unanimously carried to approve the new members as presented.

The Board reviewed the October expenditures

Old accounts in the total amount of \$1,255.75 were presented for consideration. It was moved by Dan Hubert, seconded by Steve Warburton, and unanimously carried, to turn these accounts 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. It was moved by Stephanie Ollenborger, seconded by Barry Speer, and unanimously carried, to approve the safety meeting minutes as presented. There was some discussion on the hourly rate charged by our mechanic.

Counsel Buck had nothing to report this month.

Allen Zadorozny reviewed the October financial statements. Due to good revenues for the month, and the power cost being down, margins for the month came in at \$160,744, bringing year-to-date margins to \$262,302. This is less than the previous year's year-to-date margins of \$447,314, but higher than the budgeted amount of \$187,032. Cash on hand, including temporary investments, is at \$2,139,282, and the long-term debt-to-assets ratio dropped slightly to 45.2%. He compared revenues and expenses to budget, and also to the previous two years. Meters billed dropped to 5,202. The cash receipts and expenditures were reviewed, as well

as the power bill and right-of-way clearing expenses. Zadorozny noted the PCA charge based on November purchases will reflect on the January billings and be about .5¢/kWh minus.

In his Manager's report, Zadorozny noted that the annual payroll for 2023 is estimated to be slightly less than 2022, even including the union salary increases.

Discussion was held on the solar generation project. It came online November 16. A representative from TPI asked if we'd like to have a "Flip the Switch" event to promote the project, but it was the consensus that this was not necessary. Staff may run articles later in the *Kansas Country Living* magazine and go over the project at the annual meeting in March.

The Board reviewed policies #212-215. Policy #212-Payment of Accounts was shown as reviewed with no changes. It was moved by Steve Warburton, seconded by Alex Fulsom, and unanimously carried, to approve suggested changes to Policy #213-Disposition of Salvage Assets. It was moved by Barry Speer, seconded by Trey Clapp, and unanimously carried, to approve suggested changes to Policy #214-Accounts in Bankruptcy. It was moved by Steve Clark, seconded by Stephanie Ollenborger, and unanimously carried, to approve suggested changes to Policy #215-Methods of Payment on Consumer Deposits, Bills, Construction or Miscellaneous Charges.

Dan Hubert reported on the November KEPCo meeting. It was noted that 26% of October's energy came from wind, which is a new high monthly amount. KEPCo held its 49<sup>th</sup> annual meeting, and reported that there were 3 employee promotions within the company, and they were able to keep the average wholesale price to the cooperatives the same as the previous year. Mike Morton was re-elected president for the coming year.

Chris Kelly reported on the KEC meeting. There was a special meeting with Ty Matheson, president of the Kansas state senate, who discussed the push back from oil lobbyists on rate options. KEC is discussing a standardized net metering tariff for solar generation, and looking at a reasonable size compared to usage, and other considerations. Discussion was held on the annual conflict-of-interest documents that are signed every year. The KEC 2024 budget was approved. Connie Adams, Sumner-Cowley, asked Manager Zadorozny if Caney Valley would be at all interested in consolidating. He told her that there was no interest at this time.

Upcoming meetings include the KEPCo board meeting in Topeka this week; the KEC winter conference in Topeka Feb. 3-5, the NRECA annual meeting in San Antonio Feb. 28-Mar. 7, and Caney Valley's annual meeting March 14 in Cedar Vale.

Consideration was given to the following Inventory of Work Orders for October: #900 for \$82,981.15. It was moved by Steve Warburton, seconded by Steve Clark, and unanimously carried, to approve this Work Order as presented.

Discussion was held about a new business in Sedan being connected recently, although not a lot is going on yet and production does not seem to have started.

The 2024 Revenue and Expense Projections and Capital Asset Expenditures were presented for Board consideration. After discussion, it was moved by Stephanie Ollenborger, seconded by Alex Fulsom, and unanimously carried, to approve it as presented. Allen Zadorozny discussed the annual unbilled revenue journal entry required by the auditor, which can make a large difference on the financials depending on whether it's positive or negative.

There being no further business to come before the Board, it was moved by Alex Fulsom, seconded by Trey Clapp, and unanimously carried, to adjourn at 8:15 p.m.

ATTEST: /S/ Stephanie Ollenborger, Secretary

/S/ Chris Kelly, President