

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 10, 2024, 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
Barry Speer		Dan Hubert
Steve Warburton	Chris Kelly	Levi Lear

Others present for the meeting were Allen A. Zadorozny, Manager, Paul Buck, Attorney, Craig Lampson, Montana Johnson, and Kitty Sweaney. Counsel Buck and trustee Lear participated by Zoom. 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. Dan Hubert asked for an executive session for 10 minutes for personnel. Allen Zadorozny asked for an executive session regarding the union contract. The Board was advised that Jean Steward, wife of former trustee Dale Steward and mother of former trustee Patrick Steward, had passed away. Steve Clark asked for time to discuss solar energy.

The next order of business was review of the minutes of the regular board meeting of November 12, 2024. It was moved by Barry Speer, seconded by Steve Warburton, and unanimously carried, that the minutes be approved as mailed.

The Board then considered the new membership list. Craig Lampson advised that an oil company had paid to reconnect service, but were having trouble with their service causing problems on the rest of our line in that area. They are taking steps to correct the issues. After review and on motion by Dan Hubert, second by Steve Clark, it was unanimously carried to approve the new members as presented.

The Board then reviewed the October expenditures. It was moved by Trey Clapp, seconded by Dan Hubert, and unanimously carried, to approve these as presented.

Old accounts in the total amount of \$670.41 were presented for consideration. It was moved by Steve Clark, seconded by Stephanie Ollenborger, and unanimously carried, to turn these over for collection as presented.

The Operations, Loss Control & Safety Report was presented, including accidents, new consumers' line extensions, outages, safety meeting minutes and transportation. After review, it was moved by Barry Speer, seconded by Steve Clark, and unanimously carried, to approve the safety meeting minutes as presented.

Allen Zadorozny then reviewed the October financial statements. Margins for the month came in at \$96,008, bringing year-to-date margins to \$107,565. This compares to budgeted margins year-to-date of \$5,889,

and last year of \$262,302. Cash on hand ended at \$920,869. Cash will be depleted in December due to paying half of the 2024 property taxes. The long-term debt-to-assets ratio rose from 44.8% in September to 45.4%. Zadorozny compared revenues and expenses against the budget and the previous two years. He noted that November should be close to projections. He also reviewed the wholesale power billings, net metering, and right-of-way clearing expenses.

In his Manager's report, Zadorozny explained KEPCo's ratchet rate and how it will affect our billings for the next 8 months. He also explained the solar generation savings and the total savings from December 2023 through October 2024 of approximately \$180,000. Zadorozny presented rate comparisons of several area electric cooperatives as well as Caney Valley, just for information purposes, and went through the October cash receipts and expenditures.

Caney Valley's annual meeting will be held Thursday, March 20, 2025. Discussion was held on appointing a Nominating Committee to submit names of members to run for board position #1. Current trustees in position #1 are Trey Clapp, Stephanie Ollenborger, and Steve Clark, and all are eligible to run again. The following members were suggested for the committee: District I – Don Land and Cathy Walker; District II – David Evans and Dwane Kessinger; and District III – Ryan Hubert and Diana Clanton.

Discussion was held on a proposed new policy #433 for hiring employees. However, Craig Lampson noted that it conflicts with the union agreement and will need to be checked against that. It was the consensus to table action on the policy until Counsel Buck and HR Partners, Topeka, have a chance to work on it further.

Policies #429, 430, 431 and 432 were presented with no suggested changes offered by staff. After review, as the Board had no changes either, it was noted that they were reviewed with no changes.

Chris Kelly reported on a recent KEC meeting. He noted there will be a reduction in the assessments for November and December as their funds on hand are higher than expected. He added that there will probably be a patronage allocation done in January. The *Kansas Country Living* magazine made about \$96,000 from ads this year. The magazine also now has space on the back cover for cooperatives to add messages to its members as needed free of charge. The upcoming winter conference will be held February 1-3 in Topeka.

Dan Hubert reported on the KEPCo meeting held November 21-22, which also was their 50th annual meeting. The average member rate for October was 7.5¢. There will not be an MSA adjustment at this time. Wolf Creek ran at 100%, and Iatan II was down due to a problem with some filter tubes. KEPCo has winter purchases in place. They also have a new cooperative member, Doniphan Electric out of Troy, KS. The next meeting is scheduled for next week.

Allen Zadorozny reported that he attended a special KEPCo meeting early this week to meet with candidates for the CEO position. An offer to an individual was made and accepted, and a formal announcement will be made shortly.

RUS loan documents in conjunction with the Construction Work Plan for 2025-2028 were presented for consideration. After discussion, it was moved by Barry Speer, seconded by Steve Warburton, and unanimously carried, to approve Resolution #2024-04 on Approval of the 2022 Load Forecast as follows, as well as authorize the Board President and General Manager to sign the other documents as indicated:

WHEREAS, the Kansas Electric Power Cooperative, Inc. (KEPCo), prepared the 2022 Load Forecast (LF), which projects the growth in consumers, energy and demand over the 10-year period of 2022-2031;

AND WHEREAS, This study has been reviewed and agreed to by the management and staff of The Caney Valley Electric Cooperative Association, Inc.;

AND WHEREAS, This study has been reviewed by the Board of Trustees of The Caney Valley Electric Cooperative Association, Inc.;

NOW THEREFORE BE IT RESOLVED That the Board of Trustees of The Caney Valley Electric Cooperative Association, Inc., does hereby approve the 2022 Load forecast and directs the management and staff of The Caney Valley Electric Cooperative Association, Inc., to use this study as a basis for future financial forecasts, construction work plans, and other engineering and load studies.

The October 2024 Inventory of Work Orders were presented as follows: #912 for \$80,284.63. It was moved by Steve Warburton, seconded by Dan Hubert, and unanimously carried, to approve this Work Order as presented.

Steve Clark then asked whether we needed to quickly pursue another solar energy project, as tax credits may be expiring soon and not get renewed. Montana Johnson has contacted Today's Power to see if they'd be interested in another project in our area and if their costs have changed. However, we are still waiting on a response.

At 8:32 p.m. it was moved by Barry Speer, seconded by Steve Clark, and unanimously carried, to go into executive session for a period of 10 minutes with just the Board and Counsel present to discuss personnel. The Board came back into regular session at 8:47 p.m. upon motion by Speer, seconded by Clark, and unanimously carried.

The Board immediately returned to executive session with Counsel and all staff present, to continue discussion on personnel and final union negotiations agreed upon.

As trustee Levi Lear is resigning due to a move to Manhattan, the Board discussed appointing a replacement to fill the remainder of his term. It was moved by Dan Hubert, seconded by Steve Clark, and unanimously carried, to appoint Jack Newcomb to fill the remainder of Lear's term.

Craig Lampson reported that Jason with Poor Boy Tree Service was recently involved in a fatality accident coming over from Missouri. Poor Boy is cutting back his duties for the time being to allow him time to recover.

There being no further business to come before the trustees, it was moved by Trey Clapp, seconded by Steve Clark, and unanimously carried, to adjourn the meeting at 8:59 p.m.

ATTEST:

/s/ Chris Kelly, President

/s/ Stephanie Ollenborger, Secretary