

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 9, 2021, at Cedar Vale, State of Kansas, at 7:00 p.m.

The meeting was called to order by President, Kenneth Bates, 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:

Kenneth Bates	Stephanie Ollenborger	*Steve Clark
Don Land	Alex Fulsom	Dan Hubert
Dale Steward	Chris Kelly	Charles McMillan

Others present for the meeting were Allen A. Zadorozny, Manager, Marla Ware, Attorney, Craig Lampson, and Kitty Sweaney. Trustees Steward, Fulsom, Kelly, Clark, Hubert and McMillan, as well as Counsel Ware and Craig Lampson, participated via Zoom due to ongoing COVID-19 concerns. Chairman Bates declared the meeting duly organized for the dispatch of such business as might come before it, Don Land opened with a prayer, and Bates 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 January 12, 2020. It was moved by Don Land, seconded by Stephanie Ollenborger, and unanimously carried, that the minutes be approved as mailed.

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

The Board reviewed the December expenditures. It was noted that property taxes were paid, and went up overall 9.7%. Discussion was held on the truck units that had engines replaced.

Old accounts in the total amount of \$22,208.62 were presented for consideration. Counsel Ware advised that she had filed on the cooperative's behalf on the member as presented and instructed the previous month, and is waiting on the summons notification process. It was then moved by Chris Kelly, seconded by Don Land, and unanimously carried, to turn over the remaining accounts for collection as presented. It was then moved by Chris Kelly, seconded by Don Land, and unanimously carried, to authorize Counsel Ware to continue to handle the account with the large balance.

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 Stephanie Ollenborger, seconded by Alex Fulsom, and unanimously carried, to approve the safety meeting minutes as presented.

Manager Zadorozny presented the December year-end financials. We experienced a loss for the month in the amount of \$63,317.74. This was due to a larger than normal power bill as KEPCo significantly reduced the margin stabilization adjustment for the month, making the billing about \$130,000 more than December of

2019. KEPCo also did not declare any capital credits for 2020 – we had budgeted \$85,000 for those. The loss brought year-to-date margins to \$320,384.63 compared to \$724,300.04 in 2019, and was also below budgeted margins of \$352,520.04.

*Steve Clark joined the meeting via ZOOM at 7:25 p.m.

Zadorozny stated that the margins were adequate and that the cooperative was able to meet all of our financial requirements with all lenders. Cash on hand at the end of the year was slightly over \$1,020,000 following property tax payments and RUS-FFB quarterly payments. The long-term debt-to-assets ratio increased slightly to 43.2% due to the drop in cash funds. He reviewed actual revenues and expenses against budget and the previous two years. He also reviewed the monthly power bill and right-of-way clearing expenses. The cooperative ended the year with a TIER of 1.67 and a DSC of 1.63, which exceeded required minimums of 1.25 and 1.35, respectively.

In his Manager's report, Zadorozny presented information on the estimated cost of solar generation should it reach 4% of the cooperative's peak KW load. There is currently 154 KW installed solar generation on the system. 4% of the peak load would be 540 KW. He reviewed the current net metering members and the total credit adjustment received in January, which came to \$777.23. Zadorozny also presented several year-end information items for the board's reference, such as average electric costs, loan payments, medical insurance costs, etc.

Annual consideration was given for retiring capital credits. On the recommendation of Counsel Ware and Manager Zadorozny, it was moved by Chris Kelly, seconded by Dale Steward, and unanimously carried, that upon consideration of the financial statements of the cooperative for year-end 2020, no general retirement of capital credits will be authorized by the board at this time. It was noted that capital credit retirements upon death of a member will continue as has been done for a number of years.

Policies #310, #311 and #312 were presented with no changes suggested by staff. Upon board review, it was the consensus they be shown as reviewed with no changes.

Manager Zadorozny reported that the Chautauqua County Health Department contacted the cooperative that as "essential workers" employees could receive the COVID vaccinations if they wished on January 21st. The second round of shots is scheduled for February 18th. There is still one employee home recovering from the effects of the virus.

Chris Kelly did not have a KEC report this month.

Dan Hubert reported on the KEPCo meeting held January 21. A representative from NRECA talked about the near future trends in solar, and that costs continue to decrease and tax credits will continue. He talked about solar battery storage and improvements. The next KEPCo meeting is scheduled for February 18.

Upcoming meetings include the 2021 NRECA annual member business meeting March 4.

The following December 2020 Inventory of Work Orders was presented for consideration: #866 for \$30,388.14. It was moved by Don Land, seconded by Steve Clark, and unanimously carried, to approve this work order as presented.

There being no further business to come before the trustees, it was moved by Dale Steward, seconded by Dan Hubert, and unanimously carried, to adjourn at 8:24 p.m.

ATTEST:

/S/ Kenneth W. Bates, President

/S/ Chris Kelly, Secretary