

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 8, 2022, 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:

Kenneth Bates	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, Paul Buck, Attorney, Craig Lampson, Oscar Mattocks, Montana Johnson, and Kitty Sweaney. Paul Buck and Alex Fulsom participated via Zoom. Chairman Kelly declared the meeting duly organized for the dispatch of such business as might come before it. Kenny Bates offered a prayer, and Kelly opened with the flag salute.

Also participating via Zoom was guest Learn Dalby with Today's Power, Inc. (TPI). He spoke to the Board regarding the installation of solar generation. He noted they are a subsidiary of the statewide Arkansas Electric Cooperatives, and are a sister company to Ermco. He stated they usually need about 10 acres to install a 1 MW project, and contracts run 25 years with rates fixed for that period. After discussing several aspects of a project, and fielding several questions, Dalby left the meeting at 7:37 p.m.

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 11, 2022. It was moved by Don Land, seconded by Steve Clark, 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 Stephanie Ollenborger, it was unanimously carried to approve the new members as presented.

The Board reviewed the December expenditures. It was noted that property taxes were down about 8% from the previous year. MarksNelson has been working with the cooperatives and the State of Kansas on revising how property taxes are levied against the cooperatives.

There were no accounts up for collection this month.

The Board reviewed the Operations, Loss Control & Safety Report including accidents, new consumers' line extensions, outages, safety meeting minutes and transportation. Allen Zadorozny introduced Montana Johnson, the cooperative's new Systems Operations Manager. It was then moved by Dan Hubert, seconded by Don Land, and unanimously carried, to approve the safety meeting minutes as presented.

Paul Buck did not have anything at this time, but asked to speak to the Board in executive session later on the agenda.

Allen Zadorozny then reviewed the December year-end financial statements. Revenues were lowered for December due to the required unbilled revenue journal entry required by the auditors. This caused the operating margins for the month to be a loss of \$31,266.51. However, with KEPCo's annual capital credit allocation, month-end margins came to \$7,243.65. This brought year-end margins to \$953,050.59, which includes the forgiven payroll protection program funds received of \$392,988.69. Without that, normal margins would have been \$560,061.90, above last year's margins of \$320,384.63 and above budget. With receipt of the latest funds received on the RUS-FFB loan, cash on hand is at \$2,976,119.34. The long-term debt-to-assets ratio increased to 44.9% due to increased loan funds. Zadorozny compared revenues and expenses to budget and the previous 2 years. He noted we ended the year with a TIER of 3.07. The average number of meters billed for 2021 was 3 over the 2020 average. He reviewed cash receipts and expenditures, the KEPCo power bill, and right-of-way clearing expenditures.

Minutes of the Nominating Committee meeting, listing the slate of nominees to present at the annual meeting, were reviewed.

Discussion and consideration was then given regarding a possible solar generation project for the cooperative. Costs to the cooperative will run approximately \$100,000, which would include the cost of a 1,000 KW transformer, land purchase, utility line equipment, and shared electric cooperative solar farm enabling costs. It was noted that the kWh charges would run basically the same as KEPCo, but we would be saving on the demand charges, which could possibly amount to over \$300,000 per year. Following further discussion, it was the consensus of the Board to pursue finding possible land sites to have TPI evaluate, and to move forward on this project.

Zadorozny then presented information on the House of Capper and the Capper Cooperative Park project, which KEC is strongly supporting. KEC is asking each cooperative to contribute a minimum of \$1,000 by February 28 towards this project located at the state fairgrounds, which will earn statewide cooperatives recognition. After discussion, it was moved by Don Land, seconded by Charles McMillan, and unanimously carried, to donate \$2,500 to this project.

Chris Kelly reported that he had to leave the KEC annual meeting early, so was unable to sit in on the business portion of it. He did note that Teresa Miller, CEO at Ninnescah, is the new board president.

Dan Hubert reported on the January KEPCo board meeting. Energy sales were 16% below budget. Wolf Creek is running at 100%, but Iatan II was running very light as demand was down in December. He talked about the long-term storage of spent reactors in caskets being done at Wolf Creek. KEPCo will be recovering expenses from last year's winter storm all through 2022 and part of 2023.

Upcoming meetings include the CFC statewide workshop for directors next week in Wichita, the KEPCo board meeting Feb. 16-17 in Topeka, and the NRECA annual meeting in Nashville March 8.

The following December 2021 Inventory of Work Orders were presented for consideration: #878 for \$41,909.00 and #878-1 for \$7,665.82. It was moved by Steve Clark, seconded by Dan Hubert, and unanimously carried, to approve these Work Orders as presented.

At 9:10 p.m., it was moved by Dan Hubert, seconded by Stephanie Ollenborger, and unanimously carried, to go into executive session with the Board, attorney and all staff present, for a period of 10 minutes to discuss matters under attorney/client privilege. At 9:20 p.m., it was moved by Charles McMillan, seconded by Steve Clark, and unanimously carried, to return to regular session.

Allen Zadorozny then advised the Board that Caney Valley Electric was selected by the Sedan Area Economic Development Committee as their 2021 supporter of the year. A certificate was received stating such.

There being no further business to come before the Board, it was moved by Alex Fulsom, seconded by Stephanie Ollenborger, and unanimously carried, to adjourn the meeting at 9:22 p.m.

ATTEST:

/s/ Chris Kelly, President

/s/ Don Land, Secretary