

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 13, 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	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, Montana Johnson, and Kitty Sweaney. Trustees Fulsom and McMillan and Counsel Buck participated via 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. Craig Lampson asked to discuss the old generator trailer, which was added after Agenda item #5.

The next order of business was review of the minutes of the regular board meeting of January 9, 2024. It was moved by Steve Warburton, seconded by Barry Speer, and unanimously carried, that the minutes be approved as mailed.

The Board then considered the new membership list. After review and on motion by Trey Clapp, second by Steve Clark, it was unanimously carried to approve the new members as presented:

The Board reviewed the December expenditures.

Old accounts in the total amount of \$764.94 were presented for consideration. It was moved by Trey Clapp, seconded by Dan Hubert, and unanimously carried, to turn these accounts over for collection as presented:

Craig Lampson then reported that we had an old 1941 Fruehauf generator trailer that had been stored in the old Russ sub and was used as a spare substation. The Caney Valley Antique Power organization is interested in obtaining this, and would be agreeable to purchasing it for the same cost as us getting junk cost on the old transformers. Lampson has worked up a Hold Harmless Agreement for Counsel Buck to review, and he has also had the transformers retested prior to us getting rid of the unit. After discussion, it was moved by Barry Speer to sell the unit at junk cost to Caney Valley Antique Power. Stephanie Ollenborger seconded the motion, and it carried unanimously.

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 Dan Hubert, seconded by Barry Speer, and unanimously carried, to approve the safety meeting minutes as presented.

Counsel Buck had nothing to report this month. However, he advised that he had a conflict with being at the annual meeting and mentioned that he had asked Marla Ware to be present in his place. She is agreeable with this, if the Board is OK with it. It was the consensus of the Board that Ware be present for the attorney's duties in place of Buck.

Allen Zadorozny reviewed the December financial reports. Due to the unbilled revenue entry required by the auditors, our revenues came out about \$75,000 less, resulting in a loss for the month of \$41,483. This brought year-to-date margins to \$269,409, which was over the budgeted amount of \$185,000 but less than last year's amount of \$440,058. The KEPCo patronage capital for 2023 was \$77,044, compared to \$46,748 in 2022. This is a "paper" entry only, but we are required to include it in our total margins. The cooperative met TIER and DSC requirements for 2023 at 1.37 and 1.46 respectively. The long-term debt-to-assets ratio increased slightly to 45.1% due to cash being depleted from payment of property taxes, the FFB quarterly loan payments, and large purchases of materials. Zadorozny reviewed actual revenues and expenses against budget and the previous two years, as well as cash receipts and expenditures. He also reviewed the KEPCo and TPI power bills, and right-of-way clearing expenses.

In his Manager's report, Zadorozny explained further on the unbilled revenue entry required by the auditors, as well as the TIER and DSC financial ratios required by RUS, CFC and CoBank. The TIER required is 1.25 without KEPCo capital credits, and DSC is 1.35.

Discussion and consideration of making a general payout of capital credits took place. However, it was the consensus that another review be done at a later time, and no action was taken.

Federated Rural Electric Insurance has asked for consideration on signing the current Subscriber's Agreement and Power of Attorney for their records, as it has been a number of years since one was updated and executed. After discussion, it was moved by Barry Speer, seconded by Trey Clapp, and unanimously carried, to approve and execute the Subscriber's Agreement and Power of Attorney as presented.

Several board policies were presented for consideration. After review, it was moved by Steve Clark, seconded by Steve Warburton, and unanimously carried, that Policy #217-Memberships and Account Names be approved with the suggested revisions made by staff. It was moved by Steve Clark, seconded by Stephanie Ollenborger, and unanimously carried, that the revisions made to Policy #219-Standard of Conduct and Procurement Policy on Procurements Involving Federal Funds be approved as presented. It was moved by Steve Clark, seconded by Barry Speer, and unanimously carried, that an addition to Policy #220-Contributions and Donations Section A be made as follows: The annual total of donations and contributions shall not exceed \$10,000, "without prior permission or board approval." As there were no suggested changes to Policy #221-Cyber Security and Computer Network Management, this policy was noted as reviewed with no changes.

Chris Kelly reported on the KEC winter conference held in Topeka earlier this month. He noted the equity management class was very informative. New officers were elected, with Kirk Thompson being elected as the new president.

Dan Hubert report on the January KEPCo board meeting. The cost of wholesale power was the lowest it's been in 3 years. A cost-of-service study is underway, Iatan II has been restarted, and the Sharp station ran during the cold weather. The next meeting is next week.

Upcoming meetings include the KEPCo board meeting in Topeka Feb. 21-22, the NRECA annual meeting in San Antonio Feb. 28-Mar. 7, and Caney Valley's annual meeting Mar. 14 in Cedar Vale.

The leadership camp committee reported that the following students were selected to attend the 2024 camp: Clancy Cummings and Kase Kill, both of Howard, and Natalie Shelton of Maple City. Joshua Patteson was selected as an alternate.

Craig Lampson reported that the cooperative's line loss for 2023 came in at 6.64%, most of which was storm related. He remembers it being as high as 17% several years back. He also reported that we will be taking bids for substation mowing this summer season. Ads will be run in area papers for a couple weeks.

The following December 2023 Inventory of Work Orders were presented for consideration: #901 for \$27,235.59 and #901-1 for \$260,129.48. It was moved by Barry Speer, seconded by Dan Hubert, and unanimously carried, to approve these Work Orders as presented.

There being no further business to come before the Board, it was moved by Alex Fulsom, seconded by Barry Speer, and unanimously carried, to adjourn at 9:15 p.m.

ATTEST:

/S/ President, Chris Kelly

/S/ Secretary, Stephanie Ollenborger