

## 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, January 12, 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 Land, Ollenborger, Fulsom, Clark, Hubert and McMillan, as well as Counsel Ware, 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, and opened with a prayer and the flag salute.

Consideration was given for requests for changes to the Agenda or for any executive sessions. Allen Zadorozny asked to add discussion on the scholarship program and the camp program.

The next order of business was review of the minutes of the regular board meeting of December 8, 2020. It was moved by Dale Steward, seconded by Chris Kelly, and unanimously carried, that the minutes be approved as mailed.

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

The Board reviewed the November expenditures. It was noted that the payment to Futura Systems included \$10,500 for a new server to integrate with the GIS system.

Consideration was given on turning over one old account for collection. It was moved by Dan Hubert, seconded by Chris Kelly, and unanimously carried, to turn over this account as presented.

The Board then reviewed the Operations, Loss Control & Safety Report, including accidents, new consumers' line extensions, outages, safety meeting minutes and transportation. It was moved by Don Land, seconded by Alex Fulsom, and unanimously carried, to approve the safety meeting minutes as presented. Craig Lampson reviewed the annual outages for 2020, and noted that a large percentage were due to a couple major storms last year.

Counsel Ware advised that she sent a collection notice to a member regarding the large amount still owed. She recommended that the next step be to file suit if there is no response by the end of the week. After discussion, Steve Clark recommended that Counsel Ware and Allen Zadorozny proceed with any steps necessary to collect this account, and it was the consensus of the full Board to do so.

It was noted by Counsel Ware, as well as Allen Zadorozny, that Caney Valley is OK under the state statutes regarding net metering as cooperatives are exempt from grandfathering regulations regarding this. More discussion will follow later on the agenda.

Manager Zadorozny reviewed the November financial statements, noting that November was a decent month with margins of \$64,235. Cash-on-hand held at slightly over \$1,300,000, and following a payment of \$25,000, the line-of-credit balance to CoBank is at \$575,000. Due to several long-term debt payments made in November, the long-term debt-to-assets ratio dropped to 43.1%. Zadorozny compared the November financials to budgeted amounts as well as the previous two years. He reviewed the cash receipts and expenditures, noting total loan payments of \$149,009.18. Zadorozny also reviewed the KEPCo power bill and right-of-way clearing expenditures. He also reviewed projected TIER and DSC ratios for year-end, noting that we should be over minimum requirements on both.

In his Manager's report, Zadorozny presented information on utility bill savings from the net-metering rate for one account. Clark asked if the county appraisers took in the value of a solar unit when installed on a home, and it was suggested we check into this. Also, Bates asked if local fire departments were aware of the risk of electrocution when fighting a fire with solar panels involved.

Due to the Net Metering rate tariff being deleted, consideration was given to removing a reference to that rate that is listed as an option in the Parallel Generation Rider (PGR). After discussion and checking other conditions listed in the tariff, it was moved by Don Land, seconded by Alex Fulsom, and unanimously carried, to remove the reference to the net metering rate as presented on page 2 of the PGR-RG-2010.

Discussion was then held on grandfathering in 15 members currently on the net metering rate, as several have talked with the Board and/or General Manager, and presented requests for consideration on doing so. Manager Zadorozny verified that all the Board received a copy of the written request from a member. After a lengthy discussion and consideration of several options, and following input from Counsel Ware, it was moved by Steve Clark, seconded by Dan Hubert, and unanimously carried, that the 15 members currently on the net metering rate be "grandfathered in" and allowed to stay on the rate for 3 more years, and also that this would be non-transferable should any of those members move from those locations or off the system.

Changes to Policy #304-Consumers' Costs for Line Extensions were presented for consideration. It was moved by Dale Steward, seconded by Stephanie Ollenborger, and unanimously carried, to approve changes to Policy #304 as presented. Policies #305, #306 and #309 were presented with no suggested changes, and with the Board making no changes, it was noted they were reviewed with no changes.

Allen Zadorozny then reported that two employees are currently off work due to being affected by COVID. One is still in the hospital, and the other is home at the present time.

Discussion was held on charging stations following information included in the board packets. It was felt the cooperative should be proactive on this issue and needs to take a strong look at it and any government incentives that may become available. It was noted that costs associated with installing a station can run anywhere from \$4,000 to \$50,000, with most being \$7,000 to \$10,000.

Discussion was held on the annual meeting. Zadorozny suggested it be pushed back to August to allow time for increased COVID vaccinations, plus be held at the Sedan fairgrounds as the school may still not allow us to use the facilities. The fairgrounds would also allow a "drive-by" type meeting if COVID concerns are still high at that point. After a recommendation by Counsel Ware, it was moved by Chris Kelly, seconded by Steve Clark, and unanimously carried, to move the cooperative's annual meeting to August due to current COVID concerns, with the actual date to be determined by staff.

Chris Kelly reported that there will be some KEC committee meetings coming up, and he had nothing to report at this time.

Dan Hubert reported on the December 17 KEPCo meeting. There were some changes made to the bylaws and vacation leave for employees. Mark Doljac reported that sales were 7% below budget. Iatan II produced 44% below budget, and Wolf Creek 2.2% above. He reported that KEPCo paid property taxes to 72 counties in Kansas, with \$1,800,000 in tax paid on the Wolf Creek location alone. The next meeting is January 21, and will be held virtually.

Upcoming meetings include the NRECA annual meeting March 4, for which it is necessary to authorize a voting delegate and alternate. It was moved by Dale Steward, seconded by Dan Hubert, and unanimously carried, to authorize Chris Kelly and Allen Zadorozny as the voting delegate and alternate, respectively.

As one of the scholarship recipients has elected not to return to college the second semester, the scholarship committee was asked about issuing that scholarship to an alternate. It was noted that Haley Hogan had been selected as an alternate, and that the scholarship be offered to her. The following trustees offered to be on the 2021 leadership camp/scholarship committee: Chris Kelly, Steve Clark, and Don Land.

The following November 2020 Inventory of Work Orders were presented for consideration: #865 for \$22,786.37 and #865-1 for \$74,412.92. It was moved by Chris Kelly, seconded by Dan Hubert, and unanimously carried, to approve these Work Orders as presented.

There being no further business to come before the trustees, it was moved by Dale Steward, seconded by Chris Kelly, and unanimously carried, to adjourn at 8:44 p.m.

ATTEST:

/S/ Kenneth W. Bates, President

/S/ Chris Kelly, Secretary