

## 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 11, 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	
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, and Kitty Sweaney. Trustee Ollenborger and Counsel Buck participated via Zoom. Chairman Kelly declared the meeting duly organized for the dispatch of such business as might come before it. Don Land offered a prayer and Kelly led the flag salute.

Consideration was given for requests for changes to the Agenda or for any executive sessions. Allen Zadorozny asked to add the following at the beginning of the Agenda: 1) General updates, and 2) Solar generation. He also asked for an executive session at the end of the meeting.

Zadorozny then advised that Kelly Ricke, the attorney representing Federated Rural Electric Insurance on the legal matter in process, is moving out of state and has transferred her representation to another attorney, Ryan Cox. CFC is sponsoring a statewide workshop for directors February 15-16 in Wichita. He handed out some informational items from KEPCo that they felt all the trustees should be aware of regarding the contract with Evergy on power supply. He also passed out a newspaper article that Steve Clark pulled from the *Kansas City Star* regarding Evergy and the Kansas Corporation Commission. Zadorozny mentioned that he spoke with Learn Dalby with Today's Power, Inc., the company that coordinates with the cooperatives putting in solar generation. Some of the points he brought up were that they are not doing any solar generation in Kansas in 2022, but have 6 set up for 2023. He would like to meet with the Board at the next meeting. Discussion was held on pursuing a solar project and locating property, but no action was taken.

The next order of business was review of the minutes of the regular board meeting of December 14, 2021. It was moved by Don Land, seconded by Alex Fulsom, 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 Charles McMillan, it was unanimously carried to approve the new members as presented.

The Board reviewed the November expenditures. There were no old accounts presented this month.

Discussion was held on an old account that had been disconnected in 2010. Allen Zadorozny advised that the collection agency had run down one of the parties on the account, and recently attached his wages. The other party has contacted Zadorozny, and he relayed part of his conversation with that person. Since it ended up

being turned over for collection, they have to contact that agency directly as it's no longer in the cooperative's hands.

The Board then reviewed the Operations, Loss Control and Safety report including accidents, new consumers' line extensions, outages, safety meeting minutes and transportation. Craig Lampson reported on a meeting he attended where broadband installations were discussed. Kenneth Bates moves to approve the safety meeting minutes, Dan Hubert seconded, and the motion carried unanimously. Outages for all of 2021 were presented, and it was noted that they were the lowest they've been since 2003. It was reported that the poles the cooperative has purchased that are treated with Penta will no longer be available after February. Pole companies are moving to DOCI-treated poles; this type of treatment is used on residential decking materials.

Counsel Buck did not have anything to report on this month. He was asked about the oil company old account that Counsel Ware had been working on, but he did not have any knowledge on that. He will check into that and report back.

Manager Zadorozny reviewed the November financial statements with the Board. Margins came in at \$73,191.73, bringing year-to-date margins to \$945,806.94. Even deducting the \$392,988.69 PPP loan that was forgiven, we are still ahead of last year's margins. The CoBank line-of-credit is down to \$325,000, and cash on hand is over \$2,000,000. The long-term debt-to-assets ratio dropped to 43.0%. Zadorozny compared revenues and expenses against budget and the previous two years. He noted that with the accounting requirement of recording unbilled revenues in December, it may cause the December margins to show a loss. However, we should still end the year with a TIER of around 2.8. Meters billed dropped slightly in November, but were up again in December. Craig Lampson mentioned that crews built 48 new services in 2021, compared to about 32 in 2020. Zadorozny also reviewed the power bill and right-of-way clearing expenses.

In his Manager's report, Zadorozny noted that \$1,000,000 was drawn down on the RUS-FFB loan at an interest rate of 1.777%. This was received on December 23<sup>rd</sup>. This leaves available funds at \$2,980,000, which are required to be drawn down by September 29, 2023. He did note that if an amended Construction Work Plan is submitted, that date could be extended.

A committee to review leadership camp and scholarship applications is needed. After discussion, Don Land volunteered Chris Kelly, Steve Clark and himself to serve on this committee.

Caney Valley's annual meeting will be held Thursday, March 17, 2022. Discussion was held on appointing a Nominating Committee to submit names of members to run for board position #1. The following members were suggested for the committee: District I – Rick Emert and Leah Arledge (Faye Melton – alternate); District II – Dwane Kessinger and David Burdette (Daryl Metcalf – alternate); and District III – Grace McMillan and Diana Clanton. Discussion was held on setting an alternate date should COVID conditions cause cancellation of the March meeting.

The following policies were presented for consideration: #605-Hazard Assessment – Apparel, #606-Personal Protective Equipment, #607-Vehicle Maintenance Policy, #608-Ban on Smoking, and #609-Arc Flash Rated Protective Clothing. It was moved by Kenneth Bates, seconded by Dan Hubert, and unanimously carried, to approve the revision in Policy #605-Hazard Assessment as presented. It was moved by Kenneth Bates, seconded by Don Land, and unanimously carried, to show policies #606-609 as reviewed with no revisions.

Chris Kelly did not have a KEC report as the meeting is not until later this month.

Dan Hubert reported on the December KEPCo meeting. He noted that the cooperative will get an MSA adjustment on the December power bill. Mark Doljac and Mark Barbee reported on Iatan II and Wolf Creek. There were also reports on hydropower storage being down. The next meeting is January 20-21 in Topeka.

Other upcoming meetings include the KEC annual meeting in Topeka Jan. 22-24, and the NRECA annual meeting in Nashville, TN, March 8. After discussion, it was moved by Kenneth Bates, seconded by Dan Hubert, and unanimously carried, to appoint Chris Kelly and Allen Zadorozny as the voting delegate and alternate, respectively, for the NRECA annual meeting.

The following November 2021 Inventory of Work Orders was presented for consideration: #877 for \$74,637.66. It was moved by Don Land, seconded by Alex Fulsom, and unanimously carried, to approve this Work Order as presented.

Allen Zadorozny noted that with the MSA adjustment on the December power bill, it dropped the cost per kWh to 7.4¢.

At 8:45 p.m., it was moved by Kenneth Bates, seconded by Alex Fulsom, and unanimously carried, to go into executive session for a period of 10 minutes, with Allen Zadorozny and Counsel Buck present, to discuss personnel issues. The Board returned to regular session at 8:54 p.m.

Paul Buck then noted that he checked online and found that a judgment was issued in Caney Valley's favor on 8/25/2021 against the oil company old account that Counsel Ware had been working on.

There being no further business to come before the trustees, it was moved by Steve Warburton, seconded by Dan Hubert, and unanimously carried, to adjourn the meeting at 8:55 p.m.

ATTEST:

/s/ Chris Kelly, President

/s/ Don Land, Secretary