

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 9, 2024, at Cedar Vale, State of Kansas, at 7:00 p.m.

The meeting was called to order by Vice President, Steve Clark, 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. Kelly, Fulsom, and Buck participated via Zoom. Clark declared the meeting duly organized for the dispatch of such business as might come before it, and opened with the flag salute. Trey Clapp offered a prayer.

Consideration was given for requests for changes to the Agenda or for any executive sessions. Allen Zadorozny asked to add consideration of a camp/scholarship committee, which was added after #12 on the Agenda.

The next order of business was review of the minutes of the regular board meeting of December 12, 2023. It was moved by Barry Speer, seconded by Steve Warburton, 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 Charles McMillan, it was unanimously carried to approve the new members as presented.

The Board reviewed the November expenditures.

Craig Lampson reported that we sent a truck and 2-man crew to Sedgwick Electric Cooperative at Cheney today to help make storm repairs there.

Old accounts in the total amount of \$2,137.72 were presented for consideration. Allen Zadorozny reported that one of those on the list had paid some or made arrangements, so staff felt that may be paid and did not need to be turned over at this time. It was then moved by Dan Hubert, seconded by Stephanie Ollenborger, and unanimously carried, to turn the remaining accounts totaling \$1,935.95 over for collection as presented.

The Board then reviewed the Operations, Loss Control & Safety Report, including new consumer's line extensions, outages, safety meeting minutes, and transportation. It was moved by Barry Speer, seconded by Dan Hubert, and unanimously carried, to approve the safety meeting minutes as presented.

Paul Buck had nothing to report this month.

Allen Zadorozny then reviewed the November financial statements. Margins for the month came in higher than expected, mostly due to a large margin stabilization adjustment on the November power bill, which

made the billing about \$70,000 less than budgeted. He noted on the balance sheet that cash on hand was still slightly over \$2,000,000, but will show a large decrease for December due to property taxes being paid and a new bucket truck finally received and being paid for. The long-term debt-to-assets ratio has been steadily decreasing, and dropped again to 44.9%. Operating expenses ran pretty close to what was projected. Zadorozny compared actual revenues and expenses to budget and to the previous two years. On the cash receipts and expenditures, he noted a sales tax refund of \$33,721.08 received from the state, and the CFC quarterly payment that was made. Zadorozny also reviewed the power bill and right-of-way clearing expenses.

In his Manager's report he went on to show the decline in meters billed from November to December, noting most of the loss was due to a couple oil companies being disconnected. He presented information on a member's usage over a period of months, both before and after installing solar. The cooperative lost revenue for about 5,000 kWh's for those months that were compared. He also presented a listing of solar accounts, some on net metering and the others on the parallel generation rate. The Board had approved grandfathered continuation for the net metering accounts in service in March 2021 for a three-year period, which will be up in a couple months, and asked for Board consideration to continue the grandfathered designation. After discussion, it was moved by Barry Speer, seconded by Steve Warburton, and unanimously carried, to continue with the grandfathered designation for those same accounts for another 3-year period.

Caney Valley's annual meeting will be held Thursday, March 14, 2024. Discussion was held on appointing a Nominating Committee to submit names of members to run for board position #3. Current trustees in position #3 are Steve Warburton, Chris Kelly and Charles McMillan, and all are eligible to run again. The following members were suggested for the committee: District I – Cathy Walker and Don Land; District II – Dwane Kessinger and David Evans; and District III – Ryan Hubert and Diana Clanton.

Consideration was given for a committee to select leadership camp and scholarship recipients. The following trustees volunteered to serve on this committee: Charles McMillan, Barry Speer and Chris Kelly.

Policies #216, #218 and #219 were presented. It was moved by Barry Speer, seconded by Stephanie Ollenborger, and unanimously carried, to approve Policy #216-Termination of Membership Upon Death of a Member with a suggested revision. As there were no suggested changes to be made, it was moved by Trey Clapp, seconded by Barry Speer, and unanimously carried, to show Policy #218-Capitalization Policy and #219-Procure Conflict of Interest as reviewed with no changes.

Chris Kelly did not have a KEC report. The next meeting is the KEC Winter Conference February 3-5 in Topeka.

Dan Hubert reported on the KEPCo board meeting in December. Staff reported that the average cooperative price was 6.1¢/kWh – the lowest wholesale price in the past 13 months. Property taxes paid by KEPCo to 70 counties averaged a decrease of 13%, but still paid out about \$2,200,000. Iatan II is still down. Wolf Creek is running at 100% power, and will have its 26th refueling this March and be down for 42 days. The next meeting is next week in Topeka.

Upcoming meetings include the KEPCo board meeting Jan. 17-18 in Topeka, the KEC winter conference Feb. 3-5 in Topeka, the NRECA annual meeting in San Antonio Feb. 28 – Mar. 7, and Caney Valley's annual meeting March 14.

The following Inventory of Work Orders for November 2023 were presented: #901 for \$70,390.48. It was moved by Steve Warburton, seconded by Barry Speer, and unanimously carried, to approve this Work Order as presented.

At 8:23 p.m. it was moved by Dan Hubert, seconded by Stephanie Ollenborger, and unanimously carried, to go into executive session for a period of 10 minutes to discuss the General Manager's annual

evaluation, with Counsel Buck present. Allen Zadorozny was called in later for a portion of the session, and the session was extended for several minutes. Upon motion by Trey Clapp, seconded by Stephanie Ollenborger, and unanimously carried, the Board returned to regular session at 8:55 p.m.

There being no further business to come before the Board, it was moved by Alex Fulsom, seconded by Chris Kelly, and unanimously carried, to adjourn the meeting at 8:56 p.m.

ATTEST:

/S/ Chris Kelly, President

/S/ Stephanie Ollenborger, Secretary