

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 14, 2025, 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:

	Stephanie Ollenborger	Steve Clark
Barry Speer	Alex Fulsom	Dan Hubert
Steve Warburton	Chris Kelly	Jack Newcomb

Others present for the meeting were Allen A. Zadorozny, Manager, Paul Buck, Attorney, Craig Lampson, Montana Johnson, and Kitty Sweaney. Buck participated via Zoom. Chairman Kelly declared the meeting duly organized for the dispatch of such business as might come before it. Barry Speer offered a prayer, and Chris Kelly opened with the flag salute.

The Board welcomed newly-appointed Jack Newcomb to the board of trustees.

Consideration was given for requests for changes to the Agenda or for any executive sessions. There were no changes to the Agenda.

The next order of business was review of the minutes of the regular board meeting of December 10, 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 Dan Hubert, second by Alex Fulsom, it was unanimously carried to approve the new members as presented.

The Board then reviewed the expenditures for November.

Old accounts in the total amount of \$520.69 were presented for consideration. It was moved by Dan Hubert, seconded by Alex Fulsom, and unanimously carried, to turn these over for collection as presented.

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

Counsel Buck reported that he'd like action on the new hiring policy be tabled until he can talk further with HR Partners in Topeka on all the legalities of it and make sure it's in line with our union contract.

Allen Zadorozny then presented the November financial reports. There was a loss for the month in the amount of \$25,479.44. This brought year-to-date margins to \$82,085.84, much less than year-to-date margins in 2023 of \$310,892.54, but slightly higher than budgeted amounts of \$52,672.00. Cash on hand at the end of November was \$840,432.47. He advised the Board that \$600,000.00 was requested on the RUS FFB loan; staff

had been holding off hoping interest rates would go down, but the FFB rates continue to rise. Zadorozny compared revenues and expenses against budget amounts and the previous two years. He noted that with the revenue figures and power bill for December, the cooperative may not make the required TIER this year. He also reviewed the power costs and right-of-way clearing expenditures for the month. Right-of-way clearing is over the projected amounts at this point, and the new contract for 2025 indicates increased costs.

At this time, Chris Kelly left for approximately 12 minutes to check on a situation at the bank.

Allen Zadorozny discussed rates and the continuing increases in cost of service and operating costs. The cooperative is not gaining any customers or increased kilowatt hour sales. He presented the average electricity costs to the members from 1994 through 2023, showing costs increasing from 11.68 in 1994 to 16.08 in 2023. He noted that we've had minimal contact with the solar company on a possible new project, and will continue to pursue that.

The paperwork on the new 2025-2028 construction work plan is progressing. The amount for the new RUS loan to be applied for will be approximately \$6,000,000 to cover construction work in the 4-year plan.

President Kelly returned to the meeting at 8:02 p.m.

Zadorozny reviewed information on current FFB loan rates, and interest received in 2024 from the Bank of Cedar Vale and KEPCo.

The cooperative's annual meeting will be March 20. Discussion was held on the sound system; Zadorozny will check on how this can be improved.

Several policies were presented for review. With no suggested changes from staff or the Board, the following policies were noted as reviewed: Policy #500-Assistance to Others, #501-Members Access to Cooperative's Records, #501A-Furnishing Membership Lists, Copies of Board Minutes & Other Data, and #502-Statement of Non-Discrimination. As the union contract was changed effective January 1, 2025, Policy #404-Vacation and Sick Leave (Non-Union) was updated to be in line with the union contract. After review of the suggested changes, it was moved by Barry Speer, seconded by Steve Clark, and unanimously carried, that Policy #404 be approved with the suggested revisions.

Dan Hubert reported on the December KEPCo meeting, which was done virtually. Wolf Creek is running at 100%, and Iatan II is still at market reserve. The average wholesale kWh cost was 7.05¢, with a small margin stabilization adjustment made for December billings. There is 125 million tons of coal in storage. The new CEO, Kevin T. Noblett of Liberty, MO, should be in the office by the end of January. The next meeting is scheduled for next week.

Chris Kelly did not have a KEC report. The next meeting is the winter conference at Topeka February 1-3.

The following November 2024 Inventory of Work Orders was presented for consideration: #913 for \$106,168.27. It was moved by Barry Speer, seconded by Dan Hubert, and unanimously carried, to approve this Work Order as presented.

Discussion was held on a camp/scholarship committee, with the following trustees being appointed for this year: Steve Clark, Chris Kelly and Barry Speer.

At 8:30 p.m. it was moved by Dan Hubert, seconded by Steve Clark, and unanimously carried, to go into executive session for a period of 15 minutes to discuss the general manager's annual evaluation, with the Board

and Counsel present. Manager Zadorozny was called in for the latter portion of the session. The Board returned to regular session at 9:02 p.m.

At 9:05 p.m. it was moved by Alex Fulsom, seconded by Steve Clark, and unanimously carried, to adjourn.

ATTEST:

/s/ Chris Kelly, President

/s/ Stephanie Ollenborger, Secretary