

## 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, July 9, 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		Dan Hubert
Steve Warburton	Chris Kelly	Levi Lear

Others present for the meeting were Allen A. Zadorozny, Manager, Paul Buck, Attorney, Craig Lampson, Montana Johnson, and Kitty Sweaney. Clapp and 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. Kelly asked for a short executive session to discuss personnel.

The next order of business was review of the minutes of the regular board meeting of June 11, 2024. It was moved by Steve Warburton, seconded by Stephanie Ollenborger, 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 Steve Clark, it was unanimously carried to approve the new members as presented.

The Board then reviewed the May expenditures. Discussion followed on diesel fuel expenses and the appearance of the solar farm due to high grass not getting cut.

Two old accounts were presented for consideration. It was noted that one of the members promised to send a check, so it was then moved by Dan Hubert, seconded by Barry Speer, and unanimously carried, to turn the other account over for collection as presented.

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

Paul Buck did not have a report this month.

Allen Zadorozny reported on a recent incident concerning theft of services in Oak Valley. The Elk County Sheriff's department was contacted and all necessary information given to them to investigate. The service was disconnected at the transformer, and will not be turned back on until the investigation is completed and the safety hazards found are addressed. Estimated losses are approximately \$800.00. Buck advised that staff can bill the owner for any charges, and allow the court to determine fault as far as owner and/or tenant and who is required to pay for such. The Board was advised that our AMI metering cut down on theft of services, but it does still occur.

Allen Zadorozny, Manager, reviewed the May 2024 financial reports. Margins for the month were a loss of \$74,117.47, bringing year-to-date margins to a loss of \$91,047.65. This compares to the year-to-date last year of \$62,863.53, and budgeted margins year-to-date of a loss of \$10,596.00. The high losses are mostly attributed to lower revenues for the year. He reviewed the long-term debt-to-assets ratio, which increased to 44.9% following a large drop in cash last month. Zadorozny compared revenues and expenses to budgeted amounts and the previous two years. Meters billed were down to 5,171. He reviewed the cash receipts and expenditures, noting that property taxes and the CFC quarterly payment were made, which together dropped cash about \$247,000. Zadorozny then reviewed the power bills and right-of-way clearing expenses.

In his Manager's Report, Zadorozny gave further explanation on the financials, and included a sampling of normal monthly bills the cooperative receives. Review was held on minimum-usage accounts and the customer charge per meter from 1999 to current rates. He also discussed how the PCA is calculated on a base cost of 7¢/kWh. Average electric costs from 1994-2023 were also reviewed.

Zadorozny advised that \$700,000 in RUS loan funds were received from RUS on June 28<sup>th</sup> at an interest rate of 4.443% for a 30-year period. The funds were accessed in order to pay for a new digger truck, which is expected to be delivered any time. The digger was ordered two years ago.

Several miscellaneous information items were included in the board book, including line losses, margins by month, vehicles repairs & maintenance, and collections cost-share information.

A short discussion was held on CoBank's Sharing Success program, but no donations were brought forth this month.

Several board policies were then presented for review and/or revisions. It was moved by Dan Hubert, seconded by Steve Warburton, and unanimously carried, that Policy #404-Vacation and Sick Leave (Non-Union) be approved with suggested revisions. It was moved by Barry Speer, seconded by Steve Warburton, and unanimously carried, that Policy #405-Insurance Coverage for Trustees, Employees & Families be approved with suggested revisions. Policy #408-Grievance Procedure was reviewed with no revisions. It was moved by Barry Speer, seconded by Steve Warburton, and unanimously carried, that Policy #409-Manager's and Employee's Attendance and Expense at Meetings be approved with suggested revisions. Following a request by Allen Zadorozny, it was then moved by Steve Warburton, seconded by Barry Speer, and unanimously carried, to approve paying for Betsy Zadorozny's luncheon ticket for the KEC Summer Meeting in August, as she was asked to give the invocation.

Chris Kelly did not have a KEC report this month.

Dan Hubert reported on the June KEPCo board meeting. The average wholesale cost of power to members was 7.03¢/kWh. Extra energy was purchased from an abundance of hydropower. The chief of Wolf Creek gave a status report, and it was noted that Wolf Creek continually rates in the top 10 nuclear sites in the nation. It recently underwent its 26<sup>th</sup> refueling, and has 100% of the nuclear rods needed for refueling through 2028.

The NRECA Region 7 Meeting will be held in Sacramento September 24-26. No one indicated interest in attending.

The following May 2024 Inventory of Work Orders were presented for consideration: #907 for \$92,317.95 and #907-1 for \$74,948.50. It was moved by Steve Warburton, seconded by Steve Clark, and unanimously carried, to approve.

At 8:30 p.m. it was moved by Barry Speer, seconded by Dan Hubert, and unanimously carried, to go into executive session for a period of 10 minutes with Allen Zadorozny present, to discuss personnel. At 8:38 p.m. the Board returned to regular session upon motion by Dan Hubert, seconded by Stephanie Ollenborger, which was unanimously carried.

There being no further business to come before the Board, it was moved by Barry Speer, seconded by Levi Lear, and unanimously carried, to adjourn at 8:40 p.m.

/S/ Chris Kelly, President

/S/ Stephanie Ollenborger, Secretary