

## 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 12, 2022, 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
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, Montana Johnson, and Kitty Sweaney. Steve Warburton, and Paul Buck participated via Zoom. Also present via Zoom was Jane Landrum, attorney representing Federated Rural Electric Insurance. Chairman Clark declared the meeting duly organized for the dispatch of such business as might come before it.

It was moved by Charles McMillan, seconded by Alex Fulsom, and unanimously carried, to go into executive session for a period of 30 minutes with Landrum, Counsel Buck, and all staff present, to discuss matters under attorney/client privilege. Landrum left the meeting at 7:12 p.m. It was then moved by Charles McMillan, seconded by Alex Fulsom, and unanimously carried, to return to regular session.

Chairman Clark then led the flag salute, and Don Land offered a prayer.

Consideration was given for requests for changes to the Agenda or for any executive sessions. Allen Zadorozny asked for an executive session at the end of the meeting for cooperative business matters.

The next order of business was review of the minutes of the regular board meeting of June 14, 2022. It was moved by Dan Hubert, seconded by Trey Clapp, and unanimously carried, that the minutes be approved as mailed.

The Board then considered the new membership list. After review and on motion by Don Land, second by Alex Fulsom, it was unanimously carried to approve the new members as presented.

The Board reviewed the May expenditures, most of which were routine.

Old accounts in the total amount of \$777.36 were presented for consideration. It was moved by Dan Hubert, seconded by Charles McMillan, and unanimously carried, to turn these over for collection as presented.

\*Chris Kelly arrived at this time – 7:20 p.m.

The Board then reviewed the Operations, Loss Control & Safety report, including accidents, new line extensions, outages, safety meeting minutes and transportation. It was moved by Steve Clark, seconded by Dan Hubert, and unanimously carried, to accept the safety meeting minutes as presented. It was noted that we have not received any bids yet on the two older units, but they are not due in the office until July 29.

Manager Zadorozny reviewed the May financials. Margins for the month came in at a large loss of \$140,014.90, bringing year-to-date to a loss of \$14,288.30, about \$300,000 less than a year ago and well below budget. Cash on hand is at \$3,837,136 with the latest draw down on the RUS loan. The CoBank line-of-credit loan is down to \$225,000. The long-term debt-to-assets ratio increased to 47.1% from 44.7% due to the RUS draw-down, but is still staying below the 50% level desired by the cooperative. Zadorozny compared revenues and expenses against budget and the previous two years. If financials continue as budgeted for the remainder of the year, we should end with a TIER of 1.7. RUS and CFC require a 1.25 TIER to meet loan requirements. Zadorozny also went over the cash receipts and expenditures, the power bill, and the right-of-way clearing expenses. Discussion was held on property taxes, that have gone down some due to the efforts of Doug Shepherd, KEC, and his collaboration with MarksNelson CPA's, who continue to work with state staff on the formula used in taxing cooperatives. Craig Lampson mentioned that he has been working with a member who has applied to install two solar generation units at his location.

In his manager's report, Zadorozny noted that we received RUS approval of the power purchase agreement with Today's Power, Inc. We are still waiting on TPI to come and do a site inspection of the property we'd like to purchase. The purchase contract is up July 31, but there is an option to extend it for 30 or 60 days if needed.

As NRECA requires that the cooperative's 401k Adoption Agreement be restated every 5 years, a resolution was presented to authorize it. It was moved by Steve Clark, seconded by Alex Fulsom, and unanimously carried, to approve the following Resolution #2022-01 Authorizing the Amendment and Restatement of the Retirement Security and/or 401(K) Pension Plan for The Caney Valley Electric Cooperative Association, Inc., and authorize secretary Don Land to execute the agreement:

**WHEREAS**, The Caney Valley Electric Cooperative Association, Inc., is a participating employer in the 401(K) Pension Plan; and

**WHEREAS** the Board of Trustees of The Caney Valley Electric Cooperative Association, Inc., is aware that the Plan(s) must periodically be amended to comply with new or changed regulations, rulings, legislation and plan operations, and that this restatement will be effective July 1, 2022;

**THEREFORE BE IT RESOLVED** that this Board authorizes the July 1, 2022 amendment, restatement and continuance of the Plan(s) to conform in its (their) entirety with all the provisions of the governing plan document(s) of the Plan(s), through the execution of the Adoption Agreement(s), which includes all of the provisions of the Cooperative's most recently executed Adoption Agreement(s) and any compliance clarifications needed to conform with plan operations; and

**BE IT FURTHER RESOLVED**, in the event that the timing of the restatement does not correspond with regularly scheduled meetings of the Board of Trustees, the board does hereby authorize and direct the cooperative's authorized representative to execute all necessary documents and to take any and all further actions necessary to carry out the July 1, 2022 amendment and restatement of the Plan(s); and, NRECA is fully authorized to rely on this designation in processing the restatement of the Plan(s).

The Board was advised that new digger and bucket trucks have been ordered, although delivery was quoted for 2023 on the bucket truck and 2024 on the digger.

Dan Hubert did not have a KEPCo report for the month.

Chris Kelly advised that he dialed in to a KEC meeting on cyber security, in which the board authorized Lee Tfanelli to hire a man to keep abreast on that issue, although he may not work directly with member cooperatives on their own cyber security. The KEC summer board meeting starts at the end of this month, with several trustees planning to attend.

The following May 2022 Inventory of Work Orders was presented for consideration: #883 for \$65,045.82. It was moved by Steve Clark, seconded by Charles McMillan, and unanimously carried, to approve this Work Order as presented.

Allen Zadorozny then reviewed the average residential electric revenue collected and prepared by Doug Shepherd, KEC. He noted that Caney Valley members have the 2<sup>nd</sup> lowest average monthly kWh usage in the state, which drives the average revenue per kWh higher.

At 8:09 p.m., it was moved by Steve Clark, seconded by Charles McMillan, and unanimously carried, to go into executive session for a period of 15 minutes with Counsel Buck and all staff present, to discuss confidential business matters. At 8:29 p.m., it was moved by Stephanie Ollenborger, seconded by Dan Hubert, and unanimously carried, to return to regular session.

There being no further business to come before the trustees, it was moved by Alex Fulsom, seconded by Dan Hubert, and unanimously carried, to adjourn at 8:30 p.m.

ATTEST:

/S/ Chris Kelly, President

/S/ Don Land, Secretary