

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, June 14, 2022, at Cedar Vale, State of Kansas, at 7:00 p.m.

As President Chris Kelly was participating via Zoom and asked that he do so, 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:

	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, and Kitty Sweaney. Participating via Zoom were Kelly, Ollenborger, Fulsom, Land, and Buck. 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, and opened with the flag salute.

At 7:03 p.m., it was moved by Dan Hubert, seconded by Charles McMillan, and unanimously carried, to go into executive session for 10 minutes with Jane Landrum, Counsel Buck, and all staff present, to discuss matters under attorney/client privilege. *Land joined the meeting shortly after the executive session started. At 7:15 p.m., Landrum left the meeting, and it was moved by Charles McMillan, seconded by Dan Hubert, and unanimously carried, to return to regular session.

Consideration was given for requests for changes to the Agenda or for any executive sessions. There were none.

The next order of business was review of the minutes of the regular board meeting of May 10, 2022. It was moved by Don Land, seconded by Dan Hubert, 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 Warburton, it was unanimously carried to approve the new members as presented.

The Board reviewed the April expenditures. Discussion was held on the solar expenses paid out to other cooperatives, as well as the property taxes that were paid.

One old account was presented. It was moved by Dan Hubert, seconded by Steve Warburton, and unanimously carried, to turn this account over for collection as presented.

The Board then reviewed the Operations, Loss Control & Safety report, including new consumers' line extensions, outages, safety meeting minutes and transportation. Don Land moved to approve the safety meeting minutes as presented. Steve Warburton seconded, and the motion carried unanimously. Craig Lampson noted that we are going to put the two old units #6 and #7 up for sealed bids.

Counsel Buck advised that he did not have a report this month.

Allen Zadorozny reviewed the April financial statements. Month-end margins came in at \$64,424.88, bringing year-to-date margins to \$125,726.60, which is well below last year and below budget. He noted that May and June financials will have large losses, which is historic for this time of year. Cash on hand was at \$2,769,835 at the end of April, and the CoBank line-of-credit has been paid down to \$225,000. The long-term debt-to-assets ratio rose slightly to 44.7%. With the recent \$1,300,000 loan requisition, this will jump to about 46.8%. Zadorozny compared the April revenues and expenses against budget and the previous two years. He then went over the cash receipts and expenditures for the month, the April power bill, and also the right-of-way clearing expenses.

In his Manager's report, Zadorozny advised that RUS loan funds were received May 26 with an interest rate of 3.005%. The balance of loan funds available to access is \$1,680,00.

Discussion was held on discussions/negotiations with property owners on the solar generation project. A signed purchase option agreement, prepared by Counsel Buck, was presented for reference, with closing taking place within 30 days of the exercise of the option. 60 days is allowed to exercise the option. Today's Power (TPI) will be out by sometime next week and make sure the property is suitable for the project.

Zadorozny then made a suggestion for a possible \$2,000 donation to the Gregg Theater in Sedan for renovations, with application then being made through CoBank's Sharing Success program for matching funds if the theater qualifies. After discussion, it was moved by Dan Hubert, seconded by Steve Warburton, and unanimously carried, to donate \$2,000 to the Gregg Theater and apply for matching funds through CoBank.

Allen Zadorozny then reported on the recent KEC board meeting. A written summary report was included in the board book, but he noted that KEC is keeping an eye on legislation in the works regarding sales tax on "delivery services," which may impact delivery of electric service.

Dan Hubert reported on the recent KEPCo board meeting. Shawn Geil presented an option to purchase a new weather reporting station, something KEPCo relies on a lot. Mark Doljac noted that Wolf Creek provided 36% of the energy for April. Mark Barbee noted that Wolf Creek ran at 100% for the month, with Iatan II on reserve status for the month. Coal transport status is way down due to train operators and engineers retiring due to COVID and there not being enough personnel available to transport. Natural gas prices continue to be higher than historic averages. He added that there's an expected 10 months more in additional power cost charges due to the extreme cold experienced across the nation in February 2021.

The following Inventory of Work Orders for April 2022 were presented for consideration: #882 for \$45,383.62, and #882-1 for \$26,473.47. It was moved by Dan Hubert, seconded by Steve Warburton, and unanimously carried, to approve these Work Orders as presented.

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 at 8:24 p.m.

Craig Lampson added that Bob Kennedy would be retiring on July 29, and he did hire a summer intern from Cheney.

ATTEST:

/s/ Chris Kelly, President

/s/ Don Land, Secretary