

## 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 11, 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     | Alex Fulsom           | 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. Buck participated via Zoom. Chairman Kelly declared the meeting duly organized for the dispatch of such business as might come before it. Trey Clapp offered a prayer and Kelly opened with the flag salute.

Consideration was given for requests for changes to the Agenda or for any executive sessions. Steve Clark asked for a few moments to discuss employees, but not under executive session.

The next order of business was review of the minutes of the regular board meeting of May 14, 2024. It was moved by Steve Warburton, 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 Trey Clapp, second by Steve Clark, it was unanimously carried to approve the new members as present.

The Board then reviewed the April expenditures, with staff explaining some of the items.

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 Barry Speer, seconded by Steve Clark, and unanimously carried, to approve the safety meeting minutes as presented.

Paul Buck had nothing to report this month.

Allen Zadorozny presented the April financial statements. Margins for the month were a loss of \$36,398.41, bringing year-to-date margins to a loss of \$16,930.18. This compares to year-to-date margins in 2023 of \$176,571.87 and budgeted amounts of \$106,893.00. He explained that the year-to-date revenues are much lower than a year ago, and power costs are about \$51,000 higher, accounting for most of the difference. He also explained the lag in revenues in relation to power purchases, and noted that the weather patterns impact both figures. On the balance sheet, he noted that at the end of April we still had a CD at the bank, but this matured in May and was moved back into our general funds account at that time. The long-term debt-to-assets ratio remained the same as March 2024 at 44.8%. Zadorozny compared revenues and expenses to budgeted amounts as well as the previous two years. The number of meters billed has stayed about the same since the first

of the year, but still about 35 less than last year for the average. He reviewed April cash receipts and payments, power costs, and right-of-way clearing expenses.

In his Manager's report, Zadorozny offered further explanation regarding the revenues and power costs. He also advised the board that RUS loan funds have been requisitioned for a \$700,000 loan advance as our cash balance has dropped to the \$1,000,000 range and we are expecting delivery of a new digger truck soon and will need to cover the cost of that. The interest rate on long-term RUS FFB loans is about 4.5% right now. The last time we drew down, two years ago, it was at 3%.

As FEMA and KEMA require that the cooperative renew the resolution on the Hazard Mitigation Plan every three years, it was moved by Steve Clark, seconded by Alex Fulsom, and unanimously carried, that Resolution #2024-01 Kansas Homeland Security Region H Hazard Mitigation Plan be adopted as follows:

**Whereas**, The Caney Valley Electric Cooperative Association, Inc., recognizes the threat that natural hazards pose to people and property within our community; and

**Whereas**, undertaking hazard mitigation actions will reduce the potential for harm to people and property from future hazard occurrences; and

**Whereas**, the U.S. Congress passed the Disaster Mitigation Act of 2000 ("Disaster Mitigation Act") emphasizing the need for pre-disaster mitigation of potential hazards;

**Whereas**, the Disaster Mitigation Act made available hazard mitigation grants to state and local governments; and

**Whereas**, an adopted Hazard Mitigation Plan is required as a condition of future funding for mitigation projects under multiple Federal Emergency Management Agency (FEMA) pre- and post-disaster mitigation grant programs; and

**Whereas**, The Caney Valley Electric Cooperative Association, Inc., fully participated in the FEMA prescribed mitigation planning process to prepare this Multi-Hazard Mitigation Plan; and

**Whereas**, the Kansas Division of Emergency Management and FEMA Region VII officials have reviewed the Kansas Homeland Security Region H Hazard Mitigation Plan, and approved it contingent upon this official adoption of the participating governing body; and

**Whereas**, The Caney Valley Electric Cooperative Association, Inc., desires to comply with the requirements of the Disaster Mitigation Act and to augment its emergency planning efforts by formally adopting the Kansas Homeland Security Region H Hazard Mitigation Plan; and

**Whereas**, adoption by the governing body for The Caney Valley Electric Cooperative Association, Inc., demonstrates the jurisdictions' commitment to fulfilling the mitigation goals and objectives outlined in this plan, and

**Whereas**, adoption of this legitimizes the plan and authorizes responsible agencies to carry out their responsibilities under the plan.

**Now, therefore, be it resolved**, that The Caney Valley Electric Cooperative Association, Inc., adopts the Kansas Homeland Security Region H Hazard Mitigation Plan as an official plan; and

**Be it further resolved**, The Caney Valley Electric Cooperative Association, Inc., will submit this Adoption Resolution to the Kansas Division of Emergency Management and FEMA Region VII officials to enable the plan's final approval.

Discussion was held on CoBank's Sharing Success program. Possible entities to consider for donations were the Sedan Historical Society's need to repair/replace a leaking roof and windows, and a church that may need help for building a new building. Staff will check with CoBank about the eligibility for these entities.

Several board policies were presented, with no suggestions for changes made by staff. After discussion it was noted that these were reviewed by the Board with no changes: Policy #400-Foreward (employee policies), #401-General Work Rules, #402-Work Week, Working Hours and Compensation (Non-Union), and #403-Holidays, Jury Duty, Funeral & Other Leave (Non-Union).

There was no KEC report this month.

Dan Hubert reported on the KEPCo board meeting held May 15-16. Wolf Creek's 26<sup>th</sup> refueling was completed, Evergy supplied about 65% of KEPCo's power for April, Iatan II is offline until June 15, natural gas bottomed out in late March, and the SWPP wants to expand west as it feels it could benefit us.

The following April 2024 Inventory of Work Orders was presented for consideration: #906 for \$64,075.98. It was moved by Barry Speer, seconded by Dan Hubert, and unanimously carried, to approve this Work Order as presented.

Steve Clark then discussed with the Board about recognizing employees at the annual meeting, and possibly on our website and in the *Kansas Country Living* magazine. It was the consensus of the Board that this be done, with maybe an "employee spotlight" each month.

There being no further business to come before the Board, it was moved by Alex Fulsom, seconded by Steve Warburton, and unanimously carried, to adjourn the meeting at 8:16 p.m.

ATTEST:

/S/ Chris Kelly, President

/S/ Stephanie Ollenborger, Secretary