

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, November 12, 2024, at Cedar Vale, State of Kansas, at 6:30 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. Guest present was Lindsay Freeman with Evergy. Trustees Clapp and Lear, and Counsel 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.

*Fulsom joined the meeting at approximately 6:50 p.m., Clark and Lear at approximately 6:55 p.m., and Buck at 7:03 p.m., all during the following presentation.

Lindsay Freeman, Senior Business Development Manager with Evergy, presented a preliminary solar proposal for a possible future site near the Cedar Vale substation. This would be a 750 KW project. After responding to several questions and comments, Freeman left the meeting at approximately 7:15 p.m.

Consideration was given for requests for changes to the Agenda or for any executive sessions. Barry Speer asked for time for an executive session to discuss personnel matters.

The next order of business was review of the minutes of the regular board meeting of October 8, 2024. It was moved by Barry Speer, seconded by Alex Fulsom, and unanimously carried, that the minutes be approved as mailed.

The Board then considered the new membership list. After review and on motion by Steve Warburton, second by Dan Hubert, it was unanimously carried to approve the new members as presented.

The Board reviewed the September expenditures.

Old accounts in the total amount of \$580.38 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 Operations, Loss Control & Safety report was presented including accidents, new consumers' line extensions, outages, safety meeting minutes, and transportation. Craig Lampson advised the Board about the extended outage at the Cornejo quarry, requiring that a new 2500 KVA padmount transformer and underground be replaced at a cost of around \$150,000 plus labor and overheads. Crews had them back online at

approximately 6:40 this evening. It was moved by Steve Warburton, seconded by Steve Clark, and unanimously carried, to approve the safety meeting minutes as presented.

Counsel Buck had nothing to report this month.

Allen Zadorozny reviewed the September financial statements. Margins for the month came in at \$258,785.60, bringing year-to-date margins to \$11,557.17. This compares to year-to-date margins in 2023 of \$101,558.03, but is well above budgeted margins of a loss of \$196,485.00. Zadorozny reported that the billing error that was discovered in August was back-billed for a 3-year period and the adjustment included in the September revenue figures at approximately \$72,000. This adjusted billing was paid last week. Cash on hand at the end of September was \$1,272,445. The long-term debt-to-assets ratio dropped 1% from August to 44.8%. Zadorozny compared revenue and expenses against budget and the previous two years. TIER is at 1.63 for year-end, if the last quarter ends up close to budget. He also reviewed meters billed, cost of power, cash receipts and payments, and right-of-way clearing expenses for September.

In his Manager's report, Zadorozny presented information on VoicesForCooperativePower.com, a campaign being promoted by KEC and NRECA. They are encouraging electric cooperative boards, employees and members to join the campaign to reverse the EPA's closing of power plants.

An oil company requested restoration of electric service on a lease. They had paid the cooperative \$21,372.05 in 2022 after several collection attempts and legal work accomplished by Marla Ware and Paul Buck. Staff requested \$28,505.00 to restore service, which included a large security deposit of \$16,000 to cover two months' average bills. This was paid today. They have some unsafe equipment issues that need to be corrected before the account is connected.

Zadorozny presented the final draft of the 2025 Revenue and Expense Projections and Capital Asset Expenditures. He advised that staff met with Patti Klein, RUS Field Representative, and Eric Wylie, Engineer at KEPCo, to finalize the 4-Year Construction Work Plan. Klein noted that she would approve it as presented. The CWP is the basis for budget items and loan applications for reimbursement of costs. Montana Johnson explained the Outage Management System that is included in the budget. Following discussion, it was moved by Stephanie Ollenborger, seconded by Alex Fulsom, and unanimously carried, to approve the 2025 Revenue and Expense Projections and Capital Asset Expenditures.

Policies #425, 426, 427 and 428 were presented for review, none of which had any changes suggested by staff. After review, there were no suggestions offered by the Board, either.

Dan Hubert reported on the KEPCo board meeting held October 16-17 in Topeka. Sales were 2% below budget, with the average price of wholesale power being 7.71¢/kWh. The average rates keep looking more favorable, and KEPCo is doing well keeping them down in relation to everything else going up. The board heard a cyber security update, and that there have been zero incidents so far in 2024. Mark Barbee advised that Wolf Creek ran at 100%, and Iatan II was used and performed well. The board is getting closer to hiring a new CEO with plans to bring in 5 prospects possibly by the first of the year. The next meeting is in Wichita next week, and KEPCo will be celebrating its 50th anniversary.

Chris Kelly did not have a KEC report. The next meeting is the first week in December.

The Board briefly discussed the board self-evaluations given out at the last meeting.

The following September 2024 Inventory of Work Orders was presented for consideration: #911 for \$97,938.62. It was moved by Barry Speer, seconded by Alex Fulsom, and unanimously carried, to approve this Work Order as presented.

At 8:30 p.m. it was moved by Barry Speer, seconded by Dan Hubert, and unanimously carried, to go into executive session for 10 minutes with just the Board and Counsel present to discuss personnel. At 8:40 p.m. the Board reentered regular session. It was then moved by Dan Hubert, seconded by Barry Speer, and unanimously carried, to return to regular session for a period of 10 minutes with Allen Zadorozny present also, to continue discussion on personnel. The Board returned to regular session at 8:50 p.m.

Discussion was held on upcoming action for the nominating committee selection. Dan Hubert reported that a committee member advised last year that he did not have enough time to contact members, and did not realize he needed to have names when the committee met. It was suggested that the committee be selected a month earlier, and it was the consensus of the Board that we do so. A previous board member was suggested as a replacement for Lear, who is only serving until the end of the year. The Board was asked to bring any additional names to the December meeting, and a committee can be selected at that time.

There being no further business to come before the Board, it was moved by Alex Fulsom, seconded by Barry Speer, and unanimously carried, to adjourn the meeting at 8:57 p.m.

ATTEST:

/s/ Chris Kelly, President

/s/ Stephanie Ollenborger, Secretary