

## 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, October 11, 2022, 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		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. Also present were Jane Landrum, attorney representing Federated Rural Electric Insurance, Kevin Brownlee, CEO of Butler Rural Electric Cooperative, and David Bohannon, cooperative member. Landrum and Lampson participated via Zoom. Chairman Kelly declared the meeting duly organized for the dispatch of such business as might come before it, and opened with the flag salute. Don Land offered a prayer.

It was moved by Steve Clark, seconded by Alex Fulsom, and unanimously carried, to go into executive session at 7:00 p.m. for a period of 20 minutes, with Counsel and staff present, to discuss items under attorney/client privilege regarding a land dispute. At 7:14 p.m., it was moved by Steve Clark, seconded by Trey Clapp, and unanimously carried, to return to regular session. Landrum left the meeting at this time.

Kevin Brownlee, CEO of Butler as well as Butler's subsidiary, Velocity (broadband services), introduced himself and spoke with the Board about possibly sharing services in the future, such as coordinating mapping, purchasing materials, use of employees, etc. He also mentioned being able to expand the broadband into our service area. After fielding a few questions, Brownlee left the meeting at 7:30 p.m.

Consideration was given for requests for changes to the Agenda or for any executive sessions. Trey Clapp asked for a short 5-minute executive session.

The next order of business was review of the minutes of the regular board meeting of September 13, 2022. 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 Steve Clark, second by Trey Clapp, it was unanimously carried to approve the new members as presented.

The Board reviewed the August expenditures.

Old accounts in the total amount of \$749.91 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 Board then reviewed the Operations, Loss Control & Safety report including accidents, new consumers' line extensions, outages, safety meeting minutes and transportation. It was moved by Don Land, seconded by Alex Fulsom, and unanimously carried, to approve the safety meeting minutes as presented.

Counsel Buck advised he would give his report under agenda item #12 on the solar generation project.

Allen Zadorozny reviewed the August financial statements. With revenue from July kWh sales coming in at \$1,180,576, this brought margins for the month to \$141,814. Year-to-date margins are still at a loss of \$136,691, but this should also improve with the September revenues. Cash on hand is about \$3,400,000; and the line-of-credit with CoBank has been paid down to \$125,000. Long term debt-to-assets dropped to 46.6%. Zadorozny compared the August revenues and expenditures against budget and the previous two years. Meters billed increased to 5,252 for the month. Zadorozny also reviewed the cash receipts and expenditures, the power bill, and right-of-way clearing expenses.

Counsel Buck then presented a resolution and certificate on the purchase of the land for the solar generation project. If approved, Board officers will need to sign the certificate. After discussion, it was moved by Steve Clark, seconded by Trey Clapp, and unanimously carried, to approve the following resolution authorizing the purchase of real estate and authorizing Allen Zadorozny, General Manager to sign and execute any and all documents necessary to finalize the purchase:

WHEREAS, the Caney Valley Electric Cooperative Association, Inc. (the "Cooperative") entered into an Option to Purchase Real Estate Agreement with Rodney Shaw and Vivian Shaw on June 1, 2022;

WHEREAS, on September 26, 2022, the Cooperative elected to exercise the option to purchase apportion of the real estate.

RESOLVED that certain Option to Purchase Agreement between Rodney Shaw and Vivian Shaw, as "Seller," and the Cooperative, as "Buyer," dated June 1, 2022, providing for the option to purchase of real estate, and on September 26, 2022, the Cooperative elected to, and exercised the option to purchase the following real estate situated in Chautauqua County, Kansas, to wit:

A portion of the Northwest Quarter of Section 4, Township 34 South, Range 11 East of the 6<sup>th</sup> Principal meridian, Chautauqua County, Kansas, as described by William A. Booe, PS 1046, on August 10, 2022, as follows:

Commencing at the Center of said Section 4; thence N 01°14'28" W along the East line of said Northwest Quarter a distance of 260.00 feet to the point of beginning; thence N 01°14'28" W continuing along said East line a distance of 118.46 feet; thence S 88°57'08" W a distance of 1466.70 feet; thence S 01°15'04" E a distance of 383.67 feet to the South line of said Northwest Quarter; thence N 88°44'56" E along said south line a distance of 816.62 feet; thence N 01°14'28" W a distance of 30.00 feet; thence along a non-tangent curve to the left having a radius of 1000.00 feet, a length of 703.98 feet, and a chord bearing and distance of N 69°15'50" E, 689.53 feet to the point of beginning, containing 11.318 acres.

For the sum of \$101,862.00, is hereby ratified and confirmed.

RESOLVED, FURTHER, that the Manager, Allen Zadorozny, is hereby authorized and empowered to do all things and take all actions necessary or incidental to the purchase and acquisition of the real estate, hereinabove described.

It was noted that as soon as Sharon Clark at the title office has a closing statement prepared on the property, a copy will be sent to the Board for review. Closing on the property should take place either this Friday or next Monday.

Allen Zadorozny advised that CoBank approved the matching grant for the Chautauqua Rural Fire District #1 in the amount of \$2,000.00, and a check from them was received today. David Bohannon then spoke to the Board regarding the installation of the electric line to serve a water well for the fire district near Hewins, and asked for consideration in reducing the costs. Discussion was held on the estimated costs. Staff will check into it further.

Dan Hubert reported on the recent KEPCo meeting held Sept. 14-15. He noted that natural gas was 81% higher than a year ago. Coal prices are higher and causing increases on the power bills. Wolf Creek started their refueling on October 6, and it is expected to last 38 days. Iatan II has enough coal storage for 28 days of operations compared to 50 days normally desired. KEPCo is looking at a number of options to lower power costs. The next meeting is next week, October 19-20, for a strategic planning session.

Chris Kelly noted he did not attend the last KEC board meeting, so Allen Zadorozny represented Caney Valley. Approval was given on 2023 budgeted salaries and benefits, the audit agreement, and the slate of officers for next year. Lee Tafari and KEC's new employee on cyber security, Bill Glenn, visited Caney Valley last week.

The following August 2022 Inventory of Work Orders was presented as follows: #886 for \$67,889.55. It was moved by Don Land, seconded by Dan Hubert, and unanimously carried, to approve this Work Order as presented.

David Bohannon left the meeting at this time.

At 8:25 p.m. it was moved by Trey Clapp, seconded by Steve Clark, and unanimously carried, to go into executive session for a period of 5 minutes to discuss non-elected personnel, with Counsel Buck and Allen Zadorozny presented. At 8:32 p.m., it was moved by Don Land, seconded by Dan Hubert, and unanimously carried, to return to regular session.

Discussion then followed as to whether the cooperative actually falls under the open meetings act. Counsel Buck advised that there are 3 factors to consider on this, but he will research it further as well as talk with other cooperative attorneys at an upcoming meeting.

There being no further business to come before the trustees, it was moved by Alex Fulsom, seconded by Steve Clark, and unanimously carried, to adjourn the meeting at 8:38 p.m.

/s/ Chris Kelly, President

/s/ Don Land, Secretary