

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 10, 2023 , 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
Barry Speer	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, Montana Johnson, and Kitty Sweaney. Buck participated via Zoom. Guests present included Dorothy Shaffer and Willie DeWitt. 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 led the flag salute.

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

Guests Shaffer and DeWitt then talked with the Board about the Caney Valley Agape Network. Background information was given on how the group was started to provide fresh produce in the Caney area through Walmart and a Catholic Charities distribution center in Bartlesville. The group has grown to serve approximately 3500 Kansas out of 60 locations. The Network is run solely by volunteers, with a core group of 15-20 volunteers giving over 5,000 hours last year. They advised the Board that they are needing a truck to pull the load of produce from Bartlesville, and heard we may be putting a used truck up for bid. They are interested in purchasing this unit, or possibly having it donated. It was suggested by Chris Kelly, with Paul Buck in agreement, that the cooperative's policies be researched to see if there's a requirement to put used equipment up for bid. Shaffer and DeWitt thanked the Board, and left the meeting at 7:30 p.m. It was suggested that we check with CoBank about a matching grant for this organization. However, their program has ended for this year, so a note will be made for consideration next year. After discussion, it was moved by Trey Clapp, seconded by Steve Warburton, and unanimously carried, pending policy review, to offer the truck to them for \$2,200.

The next order of business was review of the minutes of the regular board meeting of September 12, 2023. 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 Dan Hubert, second by Alex Fulsom, it was unanimously carried to approve the new members as presented.

The Board reviewed the August expenditures.

Old accounts in the total amount of \$375.33 were presented for consideration. It was moved by Dan Hubert, seconded by Steve Clark, and unanimously carried, to turn these over for collection as presented.

The Operations, Loss Control & Safety Report was presented, including new consumers' line extensions, outages, safety meeting minutes and transportation. Discussion was held on the transformer failure in the Grenola substation, probably due to lightning. As damages occurring inside the fenced area of a substation are covered, a claim has been submitted to Federated Insurance on this. Discussion was also held on a couple other transformer failures, as well as an underground transformer leaking as it had rusted out at the bottom. It was moved by Steve Clark, seconded by Alex Fulsom, and unanimously carried, to approve the safety meeting minutes as presented.

Paul Buck had nothing to report, but mentioned that he will try to attend the KEC Attorneys meeting October 22 and will report on it next month.

Allen Zadorozny reviewed the August financial statements. Margins for the month came in at a positive \$95,984.46, bringing year-to-date totals to a loss of \$134,751.45. This compares to a budgeted loss year-to-date of \$181,682.97. Cash on hand is at \$2,244,367.61, which includes temporary investments. The long-term debt-to-assets ratio dropped to 45.5% with a large principal reduction being made due to the quarterly CFC payment. Zadorozny compared actual revenues and expenses against budget and the previous two years. He noted that the estimated TIER for year-end is at 1.46. Meters billed increased slightly. He also reviewed the cash receipts and payments, as well as the August power bill and right-of-way clearing expenses.

In his Manager's Report, Zadorozny included several options on ways to administer the allocation of patronage capital and payments of capital credits.

The solar generation project is moving along quickly, and may possibly be online by Thanksgiving. Costs of the project to date were reviewed. It was noted that costs may be recovered fully within the first year of operation.

Discussion was held on installing EV charging stations, following a couple requests from members. It was management's thought that any station should be privately owned and operated, rather than done by the cooperative. There are liability, maintenance and billing concerns, outside of the costs of installation and equipment.

The following policies were reviewed by staff and the Board, with no recommended changes: #204-Monthly Operating Reports, #205-Depositories, #206-Retirement of Capital Credits, and #207-Application of Member Equity to Member Uncollectible Account.

Chris Kelly was unable to attend the recent KEC meeting, but noted the following actions: the salaries and benefits budget for 2024 was approved, and is less than 2023; the district meetings have been set, and District 1 will be held in Cheney on October 31; as noted in a previous meeting, KEC had been filing incorrect tax reports for the past 20+ years, and a change to the bylaws was approved in order to be in compliance.

Dan Hubert reported on the KEPCo meeting held September 20-21. It was reported that above-normal temperatures were recorded for August, Wolf Creek ran at 100%, Iatan II is undergoing fall maintenance with a 30-day projected shutdown, hydropower was at 72%, a nuclear plant in Michigan that had been shut down is now being recommissioned due to energy needs, and KEPCo selected Guernsey out of Oklahoma City to do a cost-of-service study.

Upcoming meetings are the KEPCo Board meeting in Topeka October 18-19, the KEC District 1 meeting in Cheney October 31, and the NRECA Annual meeting in San Antonio, TX, February 28-March 7.

The following Inventory of Work Orders for August 2023 was presented for consideration: #898 for \$116,099.65. It was moved by Barry Speer, seconded by Trey Clapp, and unanimously carried, to approve this Work Order as presented.

Craig Lampson noted that Caney Valley crews would be participating in the Elk County Farm Day at Howard this Thursday. Approximately 100 students will be able to view the high voltage demonstration.

There being no further business to come before the trustees, it was moved by Trey Clapp, seconded by Alex Fulsom, and unanimously carried, to adjourn the meeting at 9:03 p.m.

ATTEST:

/S/ Chris Kelly, President

/S/ Stephanie Ollenborger, Secretary