

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 8, 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 time to discuss the board self-evaluation forms mailed to the trustees, and Levi Lear ask for time to discuss his situation.

The next order of business was review of the minutes of the regular board meeting of September 10, 2024. It was moved by Steve Warburton, 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 Trey Clapp, second by Dan Hubert, it was unanimously carried to approve the new members as presented.

The Board reviewed the August expenditures. After discussion on a few items, it was moved by Trey Clapp, seconded by Alex Fulsom, and unanimously carried, to approve the expenditures as presented.

There were no old accounts presented this month.

The Operations, Loss Control & Safety report was presented, including accidents, new consumers' line extensions, outages, safety meeting minutes and transportation. It was moved by Levi Lear, seconded by Steve Clark, and unanimously carried, to approve the safety meeting minutes as presented. It was noted we did receive the new digger truck a few weeks ago.

Counsel Buck did not have a report this month.

Allen Zadorozny reviewed the August financial statements. We had a positive margin for the month in the amount of \$79,802.02. This brought year-to-date margins to a loss of \$247,228.43. This is better than the budgeted year-to-date loss of \$314,054.00, but not as good as a year ago. Cash on hand was a little over \$1,200,000 at the end of August. The long-term debt-to-assets ratio dropped slightly from 46.0% to 45.8% mostly due to the quarterly payment to CFC. Zadorozny compared actual revenues and expenses against the

budget and the previous two years. He also reviewed the meters billed, cash receipts and payments, power costs, and right-of-way clearing expenses.

In his manager's report he discussed how Today's Power peak demand compared to KEPCo's coincident peak for June, July and August, and the resulting solar generation savings.

After paying for the new digger truck, the cooperative's operating funds dropped significantly. Staff feels that utilizing a line-of-credit could be used in hopes that the RUS-FFB loan rate continues to drop and could be accessed in a few months to keep long-term interest costs down. The CFC and CoBank rates are about 7.25% right now. Howard State Bank has offered the cooperative a \$1,000,000 line-of-credit at 6.5% interest. After discussion and conferring with Counsel, it was moved by Steve Warburton, seconded by Barry Speer, and carried, with Chris Kelly abstaining, to pursue and access the line-of-credit offered by the Howard State Bank.

Several policies were submitted for review and discussion. It was moved by Dan Hubert, seconded by Stephanie Ollenborger, and unanimously carried, to approve the changes suggested by staff on Policy #421- Employee Drug Use and Drug Testing. It was moved by Steve Clark, seconded by Alex Fulsom, and unanimously carried, to approve Policy #422-Employee Post-Retirement Benefits with changes as presented by staff. There being no changes made to the following policy, they were noted as reviewed by the Board: Policy #423-Nepotism and Policy #424-Restricted or Light Duty.

Chris Kelly reported that he was unable to attend the recent KEC board meeting, which Manager Zadorozny attended in his place. He noted that although the current IT person is leaving, he has set up a good program. The 2025 employees' salaries and benefits were approved.

Dan Hubert reported on the KEPCo meeting held September 18-19 in Topeka. Wolf Creek is online and running at 100%. Iatan II is online and in reserve status. Margins came in 8.3% above budget. KEPCo is solid until 2028 for refueling the Wolf Creek power plant.

The following August 2024 Inventory of Work Orders was presented for consideration: #910 for \$57,895.41. It was moved by Steve Warburton, seconded by Barry Speer, and unanimously carried, to approve this Work Order as presented.

Allen Zadorozny reviewed Federated's insurance rates for the coming two years, as well as NRECA's 401k administrative cost for 2025. He also presented a draft proposal for the 2025 Revenue and Expense Projections and Capital Asset Expenditures, and asked that the Board review it. He noted that the proposal does not show a margin for 2025, and that the cooperative will probably require a rate increase the following year due to all the increased costs for inventory materials, supplies, payroll and benefits over the past several years.

Craig Lampson reported that we sent two linemen to Aiken Electric in South Carolina following all the damage from Hurricane Helene. Close to 90 linemen traveled there from Kansas and will work 10-14 days before returning home. Discussion was held on the cooperatives' mutual aid program and how IOU's usually get help from other IOU's.

Steve Clark talked about the board self-assessment form that was included in the board packet. After discussion, it was the consensus that the Board review this and discuss it at next month's meeting.

It was noted that a customer received a call at 3:00 a.m. recently regarding a past-due bill. Staff will check into this and try to correct the timings on reminder calls. Lampson mentioned that there will be a scheduled 4-hour outage on the Caney sub soon, and staff plans to utilize the calling system to notify members on that sub prior to the outage.

Levi Lear advised the Board that he will be leaving this area in the next few weeks. Although they will be keeping the coffee shop in Sedan, their residence will change to Manhattan, KS, so he will have to resign his position as trustee on the Board. The cooperative bylaws provide that the Board will need to appoint someone to fill his term, which will run until 2027. A few names were suggested, but the Board was asked to think about this and it will be discussed further in the next couple months.

There being no further business to come before the Board, it was moved by Alex Fulsom, seconded by Trey Clapp, and unanimously carried, to adjourn the meeting at 8:27 p.m.

ATTEST:

/S/ Chris Kelly, President

/S/ Stephanie Ollenborger, Secretary