

## 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, September 10, 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, Craig Lampson, Montana Johnson, and Kitty Sweaney. Fulsom 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 brief discussion on self-evaluations for the Board, Trey Clapp requested a 10-minute executive session, and Allen Zadorozny wanted to add discussion on an electric meter billing error.

The next order of business was review of the minutes of the regular board meeting of August 13, 2024. It was moved by Dan Hubert, seconded by Stephanie Ollenborger, 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 presented.

The Board reviewed the July expenditures, with nothing out of the ordinary noted.

Old accounts in the total amount of \$376.15 were presented for consideration. It was moved by Trey Clapp, seconded by Dan Hubert, 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 Barry Speer, seconded by Dan Hubert, and unanimously carried, to approve the safety meeting minutes as presented.

Allen Zadorozny and Craig Lampson discussed a large billing adjustment on a member. The account had been billed as a x1 meter since it was connected in 2011. It should have been billed as a x40 meter. It was decided by staff, after conferring with Counsel Buck, to back bill the account for the difference for the past 36 months. A letter was sent explaining the error and billing adjustment; however, staff has not yet heard back from anyone. The adjustment will be on the next bill that will go out this week.

Zadorozny then presented the July financial statements. Margins for the month came in at a loss of \$51,253.09, bringing year-to-date losses to \$327,030.45. This compares to budgeted losses year-to-date of \$358,738.00 and year-to-date last year of \$230,735.91. Cash on hand is approximately \$1,400,000. Zadorozny

noted that with the new digger truck to be delivered any time, and another large power bill this month, both totaling close to \$1,000,000, staff may draw on line-of-credit funds through either CFC or CoBank in hopes that the RUS-FFB loan rates keep dropping over the next few months. We could then pay off the line-of-credit at a much lower interest rate. The long-term debt-to-assets ratio stayed the same at 46.0%. Zadorozny reviewed meters billed, compared revenues and expenses against budget and the previous two years, and cash receipts and payments for July. He also presented the power bills and right-of-way clearing expenses for the month.

In his Manager's report, Zadorozny reviewed and discussed the RUS Form 300, which is one of the required documents to be completed for the 2025-2028 RUS Construction Work Plan. The proposed draft for the Work Plan is estimated at \$6,003,797. Our RUS field representative has approved the Form 300.

Discussion on donations year-to-date followed. Actual donations totaled \$4,033.36 at the end of August. Board policy limits donations to \$10,000 annually.

Information on "Understanding Cooperative Debt" was presented for Board review. This was a good explanation as to why cooperatives borrow money and incur debt.

Several documents were presented in order to update and restate the cooperative's Section 125 Plan through NRECA. After discussion, it was moved by Barry Speer, seconded by Levi Lear, and unanimously carried, that all the following be approved as presented, a copy of which are attached to these minutes: Resolution #2024-02 "Resolution of the Board of Trustees Adopting the Amendment and Restatement of the 125 Plan," Resolution #2024-03 "Resolution of the Board of Directors Adopting Amendment to the 125 Plan," the "Amendment to the 125 Plan RE: Health FSA Carryovers as Permitted by IRS Notice 2023-234," an "Amendment to the 125 Plan RE: Increase to Limitation on Health FSA and Limited-Use Health FSA Salary Reduction Contributions," and the "125 Plan Administrative Services Agreement."

Discussion was held on three requests for donations, to also be submitted through CoBank's 2024 Sharing Success program. After review, it was moved by Dan Hubert, seconded by Steve Warburton, and unanimously carried, that donations of \$1,000 each be given, provided the following entities can provide documents needed to submit requests to CoBank for matching grants under Sharing Success: Cedar Vale Museum and Historical Society, the Cedar Vale Memorial Library, and the Sedan Historical Society.

The Board then reviewed several policies, one of which was discussed at the August Board meeting. It was moved by Barry Speer, seconded by Levi Lear, and unanimously carried, to approve Policy #410-Cooperative Personnel Purchase of Merchandise Through the Cooperative, as revised. It was moved by Trey Clapp, seconded by Stephanie Ollenborger, and unanimously carried, to approve Policy #417-NRECA 401k Plan, with suggested revisions. It was moved by Barry Speer, seconded by Levi Lear, and unanimously carried, to approve Policy #418-Cafeteria Plan, with suggested revisions. It was moved by Barry Speer, seconded by Trey Clapp, and unanimously carried, to approve both Policy #419-General Manager's and Employees' Training & Education and Policy #420-Physical Examinations with suggested revisions.

Chris Kelly did not have a KEC report this month.

Dan Hubert reported on the August KEPCo board meeting. Wolf Creek ran at 100%, Iatan II is ready and on standby, there are 47 days of coal on hand, and Mark Doljac noted that the average wholesale price for July was .0788¢. The next meeting is next week.

The following July 2024 Inventory of Work Orders was presented for consideration: #909 for \$124,838.48. It was moved by Steve Warburton, seconded by Steve Clark, and unanimously carried, to approve this Work Order as presented.

Steve Clark then spoke with the Board about a class he took at the recent KEC Summer meeting, part of which involved a board self-evaluation and a large glossary of terms. He suggested both would be good for the Board to at least read, if not review and complete. After discussion, it was the consensus that staff copy that information and include it in the October board books.

Discussion was then held on a GPS equipment unit that was found and turned into the sheriff's office. The unit belongs to and was returned to Caney Valley Electric. Discussion followed about crews taking care of cooperative equipment and keeping it locked up, and it was suggested that staff bring this up at a safety meeting.

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 9:15 p.m.

ATTEST:

/S/ Chris Kelly, President

/S/ Stephanie Ollenborger, Secretary