

**PIONEER ELECTRIC COOPERATIVE, INC.  
MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES**

April 22, 2020

**CALL TO ORDER**

The regular meeting of the Pioneer Electric Cooperative, Inc. (“Pioneer Electric” or “Cooperative”), Board of Trustees (“Board” or “Trustees”) was held remotely via GoToMeeting conference call on Wednesday, April 22, 2020 due to the COVID-19 pandemic, declared a national emergency by President Trump on March 13, 2020. The meeting convened at 8:30 a.m.

Present at the regular meeting remotely via GoToMeeting conference call were: Board President Martie Floyd, Vice President Alfred Alexander, Secretary-Treasurer John Jury, Assistant Secretary-Treasurer Mike Brewer and Trustees James Bell, Charles Milburn, Fred Claassen and Jeff Moyer. Trustee Melvin Winger was absent and excused. Also present at the Board meeting remotely via GoToMeeting conference call were Chief Executive Officer (“CEO”) Stephen J. Epperson; Randall D. Magnison, Executive Vice President-Assistant CEO; Lindsay A. Campbell, Executive Vice President-General Counsel; Chantry C. Scott, CFO-Vice President of Finance and Accounting; George Bushnell, Vice President of Engineering and Operations; Anita Wendt, Vice President of Energy Services. Also in attendance for the full meeting remotely via GoToMeeting conference call was Pioneer Electric’s Larissa Hoopingarner, Legal Executive Assistant; Mark Shogren, Manager of Material, Purchasing & Warehouse; Mike Haney, Manager of Engineering & Operations; Danny Law, Manager of Safety and Compliance; and Ryan Wilken, Manager of Information Technology. In attendance at the Cooperative’s headquarters via GoToMeeting conference call were Pioneer Electric’s Michelle Brungardt, Executive Assistant and Melissa Morales, Manager of Human Resources. Board President Martie Floyd called the meeting to order.

## **INVOCATION**

The meeting reconvened with a prayer.

## **APPROVAL OF MEETING AGENDA AS PUBLISHED OR AMENDED**

A motion was made and seconded to approve the meeting agenda as published or amended.

Motion carried.

## **PUBLIC – INTRODUCTION OF GUESTS**

None present.

## **CONSENT AGENDA**

- 1. Approval of March 25, 2020 Regular Board Meeting Minutes**
- 2. Approval of March 25, 2020 Executive Meeting Minutes**
- 3. Approval of April 16, 2020 Special Board Meeting Minutes**
- 4. Approval of New & Reactivated Memberships**
- 5. Approval of Deactivated Memberships**
- 6. Approval of Estate Retirement Applications**
- 7. Approval of March 2020 General Fund Checks & Transactions**
- 8. Approval of March Board Expense Reports**
- 9. Approval of CEO Expense Report**

After reviewing and discussing the expense reports and General Fund Checks, a motion was made and seconded to approve the Consent Agenda. Motion carried.

## **SUNFLOWER UPDATE**

CEO Stephen Epperson updated the Board on Sunflower Electric Power Corporation (“Sunflower”) activities for the month of March. Sunflower is undertaking several activities to respond to and mitigate impacts as a result of the COVID-19 pandemic, including, but not limited to, applying and receiving approval for a \$10 million SBA Loan under the Paycheck Protection Program (“PPP”), monitoring load impacts, and identifying areas of spend in the budget that can be reduced or eliminated. The Johnson Corner Solar Farm achieved commercial operation the end of March. Sunflower Staff continued its review with the Board the next rate design project. The Sunflower Board approved the proposed avoided cost rider, developed in conjunction with the Board approved Parallel Generation Policy, defining the rate at which Sunflower will purchase excess generation from generators connected to a Member’s distribution system under applicable federal and state parallel generation laws.

## **CHIEF EXECUTIVE OFFICER’S REPORT**

### **1. COVID-19 Update**

CEO Stephen Epperson reported to the Board that the companies are continuing to practice proactive, previously implemented Key Actions of the Pandemic Plan, to help prevent illness and further spread of COVID-19, while continuing to provide safe and reliable service to members and consumers. Each vice president updated the Board on how employees are continuing to perform essential functions remotely and/or in the office. Management reviewed with the Board potential changes for 401(k) participants provided by the CARES Act that would offer employees the option take an in-service emergency withdraw from their 401(k) up to \$100,000 for qualified COVID-19 related hardships.

## **2. Finance & Accounting Update**

### **a. Financial & Operating/Capital Budget Report**

Chantry Scott, CFO-Vice President of Finance and Accounting, reviewed with the Board preliminary March 2020 Financial and Operating Report numbers and preliminary 4<sup>th</sup> Quarter 2019 Financials. Scott advised that the reports are preliminary until the Annual Financial Audit is finalized, after which the final March 2020 Financial Reports and final 4<sup>th</sup> Quarter 2019 Financials will be uploaded to BoardPaq once they are ready. Approval will be sought at the May 2020 Board Meeting.

### **b. Capital Credit Retirement/Rate Relief**

CEO Epperson reported to the Board that Pioneer Electric has been looking into the possibility of a special, early capital credit retirement to help offset member bills as a way to help its members during the COVID-19 pandemic. He stated that they are currently in the process of reviewing risk, exposure and financial implications for various scenarios. CFO Scott also walked through various recommendations and reviewed the impact to members and financial implications to Pioneer Electric. It was agreed that further discussion and evaluation is needed due to unpredictable economic circumstances/impacts and the quickly evolving situation.

## **3. Engineering & Operations**

George Bushnell, Vice President-Engineering and Operations, elected to stand on a majority of the Engineering and Operations monthly written report as published for review in the April Chief Executive Officer's report posted on BoardPaq.

**a. FEMA Update**

Mike Haney, Manager of Engineering and Operations, shared with the Board that CEO Stephen Epperson has executed a new 9091, which is a precursor to the Project Worksheet (PW) that has been sent back to FEMA for final approval. KDEM still has not provided a date certain as to when the modification and ultimate approval from FEMA will be completed so that Pioneer Electric may begin permanent restoration work. In the meantime, materials have been gathered and contractors have been arranged in order to start construction promptly once the PW and associated funding is approved by the federal government.

**b. Cost Containment Ideas**

George Bushnell, Vice President-Engineering and Operations, reviewed with the Board ideas to reduce costs and identified projects that could be rescheduled or delayed in the case of financial need due to impacts from the COVID-19 pandemic.

**c. ERP Update**

Danny Law, Manager of Safety and Compliance, reviewed with the Board the updated ERP. Manager Law reported that while the ERP included pandemic situations generally, COVID-19 was specifically added in order to provide clarity.

**4. Energy Services**

**a. Energy Services/ “In the News”**

Anita Wendt, Vice President of Energy Services, discussed recent happenings and upcoming events at Pioneer Electric.

**b. No Disconnect Date**

After discussion, it was agreed to voluntarily extend the suspension of disconnects until June, 1, 2020 to mirror Evergy and as encouraged by the KCC and KEC. There was further discussion regarding the suspension of disconnects and whether the suspension applies to all consumer rate classes or just residential and small commercial. Future anticipated action from the Governor and additional clarification will be sought to find out what consumer rate classes are applicable in order for a decision to be made.

**c. Rescheduling Health Fair & Annual Meeting Status**

Anita Wendt, Vice President of Energy Services, reported that Pioneer Electric is coordinating with Pioneer Communications in order to re-schedule the Annual Meeting and possibly uncoupling the Health Fair due to the COVID-19 emergency. Optionality and the possibility of a drive-in meeting are being considered.

**5. Regulatory Update**

Randall Magnison, Executive Vice President-Assistant CEO advised he would stand on the majority of the written Regulatory Report as published on BoardPaq. Assistant CEO Magnison did provide an update on the current General Rate Case and Formula Based Rate (FBR) Continuation proceedings, stating that responses to data requests are continuing to be submitted and procedural schedules for both dockets are being discussed.

**6. Corporate Services**

Lindsay Campbell, Executive Vice President-General Counsel advised she would stand on a majority of the written Corporate Services Report as published on BoardPaq. Executive VP Campbell reported that contact has been made with all large industrial

consumers regarding load performance impacts as a result of the COVID-19 emergency. Currently, there has been minimal impact to these loads, however there is still much uncertainty for the near future.

## **7. Administration**

Assistant CEO Magnison advised that he would stand on the majority of the written Administrative Report as published on BoardPaq.

### **DISCUSS RESCHEDULING BOARD STRATEGIC PLANNING**

It was agreed that a date and time to re-schedule the Board Strategic Planning will be re-assessed in the future as impacts from COVID-19 are ever-changing at this time.

### **GENERAL COUNSEL'S REPORT**

Lindsay Campbell, Executive Vice President-General Counsel, had nothing to report under the General Counsel's Report.

### **MATTERS REQUIRING BOARD ACTION**

#### **1. Control House Access Agreement**

Lindsay Campbell, Executive Vice President-General Counsel presented the proposed Control House Access Agreement between Pioneer and Sunflower. The agreement provides provisions and procedures for Pioneer to physically access Pioneer-owned substation control houses subject to NERC compliance obligations, which are the responsibility of Sunflower on behalf of all the Members. The agreement is being proposed by Sunflower for the purpose of demonstrating compliance with the applicable NERC cyber security standards. After discussion, a motion was made and seconded to

approve the proposed Control House Access Agreement and authorize CEO Epperson to execute. Motion Carried.

**OTHER BUSINESS**

1. **KEC Committee & Board Meetings – Wichita, KS – May 6-7, 2020 – Conference Call**
2. **Sunflower Annual & Monthly Board Meetings – Victory – Dodge City, KS – May 15, 2020 -Pending**
3. **KEC Spring Managers Meeting – May 27-29, 2020**
4. **ACES Member Conference – May 28-29, 2020 – Cancelled due to COVID-19**

**EXECUTIVE SESSION**

A motion was made and seconded to go into Executive Session at 12:01 p.m. Motion carried.

A motion was made and seconded to come out of Executive Session at 12:21 p.m. Motion carried.

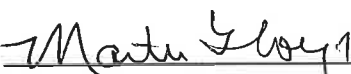
**ADJOURNMENT**

A motion was made and seconded to adjourn the meeting at 12:21 p.m. Motion carried.



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John Jury, Secretary-Treasurer

APPROVED:



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Martie Floyd, President