

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

February 26, 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 on Wednesday, February 26, 2020 at the Southern Pioneer Electric Company’s (“Southern Pioneer” or “Company”) office in Liberal, Kansas. The meeting convened at 8:30 a.m.

Present at the regular meeting were: Board President Martie Floyd, Vice President Alfred Alexander, Secretary-Treasurer John Jury, Assistant Secretary-Treasurer Mike Brewer and Trustees James Bell, Fred Claassen, Charles Milburn, Jeff Moyer and Melvin Winger. Also present at the Board meeting 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 was Southern Pioneer’s Brian Beecher, Manager of Engineering & Operations (Medicine Lodge) and Clint Meier, Manager of Engineering and Operations (Liberal); and Pioneer Electric’s Michelle Brungardt, Executive Assistant; Larissa Hoopingarner, Legal Executive Assistant; Mark Shogren, Manager of Material, Purchasing & Warehouse and Mike Haney, Manager of Engineering & Operations. Pioneer Electric’s Ryan Wilken, System Administrator/Supervisor, was in partial attendance. Board

President Martie Floyd called the meeting to order and began the meeting with a tour of the remodeled Southern Pioneer Liberal Customer Service-Distribution Facility.

INVOCATION & PLEDGE OF ALLEGIANCE

The meeting reconvened with an invocation and the Pledge of Allegiance.

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 January 22, 2020 Regular Board Meeting Minutes**
- 2. Approval of January 22, 2020 Executive Session Meeting Minutes**
- 3. Approval of New & Reactivated Memberships**
- 4. Approval of Deactivated Memberships**
- 5. Approval of Estate Retirement Applications**
- 6. Approval of January 2020 General Fund Checks & Transactions**
- 7. Approval of January Board Expense Reports**
- 8. 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.

KEC ANNUAL & BOARD MEETING UPDATE

Assistant Secretary-Treasurer Mike Brewer reported that there was a variety of speakers in attendance, including KEPCo’s CEO, Suzanne Lane, and Sunflower Electric’s CEO, Stuart

Lowry, whom presented on the current challenges that Generation and Transmission companies are facing.

SUNFLOWER UPDATE

Lindsay Campbell, Executive Vice President-General Counsel updated the Board on Sunflower Electric Power Corporation (“Sunflower”) activities for the month of February. Sunflower is in the process of developing a 2025 Vision Statement and will have samples for the Board to review and approve for implementation at the November 2020 Member Conference. Sunflower Staff continued its review with the Board of the Capacity and Energy Hedging Policy as part of the Integrated Resource Planning study to be completed this summer. Staff also provided an update on the renewable resource energy program and potential renewable resource opportunities and presented the proposed parallel generation policy to be approved in final form at the March Board meeting. Sunflower staff also reviewed and received Board approval of the 2020-2029 long-range financial plan. Finally, Sunflower staff reviewed with the Board potential depreciation and amortization strategies associated with Holcomb 1.

CHIEF EXECUTIVE OFFICER’S REPORT

1. CoBank Proposed Strategic Planning Survey

Andy Glover, CoBank Senior Relationship Manager, guided the Board through a strategic planning survey in order to prioritize topics for the 2020 Board strategic planning session to be held April 3rd and 4th in Garden City. Mr. Glover will be the facilitator for the strategic planning session.

2. Finance & Accounting

a. Financial & Operating/Capital Budget Report

Chantry Scott, CFO-Vice President of Finance and Accounting, reviewed with the Board the preliminary January 2020 Financial and Operating Report numbers. Once the year-end processes are complete and the 2019 year is closed out, Scott advised that the December 2019 and January 2020 reports will be uploaded to BoardPaq.

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 February Chief Executive Officer's report posted on BoardPaq.

a. FEMA Update

Mike Haney, Manager of Engineering and Operations, shared with the Board that Pioneer Electric is still waiting on the revised Project Worksheet (PW) to be sent back as KDEM has been directed by FEMA to modify and send back through the approval process. Despite attempts to reach out and contact KDEM for specifics, 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.

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.

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 Continuation (FBR) proceedings, stating that staff is currently responding to discovery in the form of fairly generic data requests in both dockets. Staff should have the proposed FBR procedural schedule agreed to with KCC Staff and intervenors to file with the Commission for approval within the next week. KCC Staff and intervenors’ direct and cross-answering testimony for the General Rate case will be filed in the first week of March, after which Staff will be prepared to issue data requests to KCC Staff and intervenors and file rebuttal testimony.

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.

7. Administration

Assistant CEO Magnison advised they would stand on the written Administrative Report as published on BoardPaq.

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. Construction Standards Policy

The construction standards policy was deferred until the March meeting.

2. Safety Deposit Box Access Authorization

Randall Magnison, Executive Vice President-Assistant CEO, presented to the Board a proposed Safety Deposit Box Authorization Signature Card listing names of individuals of whom to grant access to the off-site safety deposit box to replace the authorization card currently on file at the Grant County Bank. After review and discussion, a motion was made and seconded to approve the replacement Safety Deposit Box Authorization Signature Card and authorize the President and Secretary to execute same and Pioneer Electric representatives to deliver to the bank. Motion carried.

3. Substation Contractor Bids

Mike Haney, Manager of Engineering and Operations, reviewed with the Board the necessary substation upgrades and associated bids received from potential contractors for the Seaboard Energy of KS project. After review and discussion, a motion was made and seconded to accept the recommended bid and authorize CEO Epperson to execute RUS form substation contractor and furnished material contracts. Motion carried.

OTHER BUSINESS

1. NRECA 2020 Annual Meeting – February 27 – March 4, 2020
2. CoBank Western Plains Meeting – March 12-13, 2020
3. PECI Annual Meeting and Health Fair - Afternoon Meeting – March 14, 2020
4. NRECA New Director Orientation – March 17-19, 2020
5. KEC Speak Up / Listen Up Event – March 24-25, 2020 at Pioneer Electric Cooperative, Ulysses, KS
6. Strategic Planning – April 2-3, 2020 at Heritage Inn in Garden City, KS
7. NRECA Director Conference – April 4-7, 2020
8. NRECA Legislative Conference – April 26-28, 2020
9. KEC Spring Managers Meeting – May 27-29, 2020
10. ACES Member Conference – May 28-29, 2020

ADJOURNMENT

A motion was made and seconded to recess the meeting at 2:28 p.m. until March 14, 2020.

Motion carried.



John Jury, Secretary-Treasurer

APPROVED:



Martie Floyd, President

