

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

March 25, 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, March 25, 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, and Jeff Moyer. Present for partial attendance via GoToMeeting conference call was Trustee Fred Claassen. 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 Southern Pioneer’s Clint Meier, Manager of Engineering and Operations (Liberal); and Pioneer Electric’s Larissa Hoopingarner, Legal Executive Assistant; Mark Shogren, Manager of Material, Purchasing & Warehouse, Mike Haney; Manager of Engineering & Operations and Ryan Wilken; System Administrator/Supervisor. 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 February 26, 2020 Regular Board Meeting Minutes**
- 2. Approval of New & Reactivated Memberships**
- 3. Approval of Deactivated Memberships**
- 4. Approval of Estate Retirement Applications**
- 5. Approval of February 2020 General Fund Checks & Transactions**
- 6. Approval of February Board Expense Reports**
- 7. 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 continuing the process to develop a new 2025 Vision Statement as the Board is reviewing different options to have approved for implementation at the November 2020 Member Conference. Sunflower Staff continued its review with the Board the next rate design project as well the Capacity and Energy Hedging Policy as part of the Integrated Resource Planning study to be completed this summer. Staff also mentioned upcoming strategic initiative presentations for future months, which topics include project cost accounting, transmission project costs, demarcation and member leases/interconnection. The Sunflower Board approved the newly proposed parallel generation policy establishing that Sunflower will always exercise the option to purchase excess power requested from generators connected to a distribution member’s system. The Sunflower Board also determined after review and discussion that residential energy audits will be conducted at the distribution level.

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

### **1. KIOGA Request**

Staff reviewed and discussed with the Board an inquiry received from the Kansas Independent Oil and Gas Association (KIOGA) regarding electric rates.

### **2. COVID-19 Update**

CEO Stephen Epperson reported to the Board that Pioneer Electric has created a Pandemic Plan and implemented key actions to mitigate risk of spreading the COVID-19 virus while providing a safe work environment for its employees and continuing to provide reliable service to its members. Each vice president updated the Board on how employees are performing essential functions remotely and or in the office. Management reviewed with

the Board a summary of the employee's work status by location, Pioneer Electric's current legal obligations as a result of the Families First Coronavirus Response Act (FFCRA), and an example of the cost impact on Pioneer Electric by demonstrating the financial effects of FFCRA mandated obligations. Management also provided recommendations on additional procedures to implement the emergency sick leave and expanded family medical leave. After presentation and discussion, a motion was made to accept management's recommendations. Motion Carried.

### **3. Finance & Accounting Update**

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

Chantry Scott, CFO-Vice President of Finance and Accounting, reviewed with the Board preliminary February 2020 Financial and Operating Report numbers. Scott advised that final February 2020 Financial Reports will be uploaded to BoardPaq once they are ready.

### **4. 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 March 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.

## **5. 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. 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 Health Fair due to the COVID-19 emergency.

## **6. 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 the Governor of Kansas has placed the majority of state employees on a two-week administrative leave as a result of the COVID-19 emergency. This has resulted in the Kansas Corporation Commission (KCC) issuing an order staying all open dockets to include both the General Rate Case and the FBR Continuation dockets for such time. Procedural schedules for both dockets will be revised as soon as the KCC lifts the stay.

## **7. 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 are no anticipated impacts to these loads as they continue to operate as normal.

## **8. Administration**

Assistant CEO Magnison advised that he would stand on the majority of the written Administrative Report as published on BoardPaq. Assistant CEO Magnison reported that there has been a request from a Revolving Loan Fund (RLF) recipient asking for a loan payment deferral due to COVID-19 impacts. As allowed by terms of the RLF Plan, and because the recipient is current in their monthly scheduled payments, a 60-day deferral unless instructed otherwise by USDA Rural Development will be granted. A re-evaluation of the deferral will be performed in May in order to determine how the payment deferral will be re-paid.

## **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. Appoint Delegates for Sunflower & Sunflower Holdings**

After discussion, a motion was made and seconded to elect Trustees Martie Floyd as the Delegate and Mike Brewer as the Alternate. Motion carried.

**2. NRECA International Donation**

After discussion, a motion was made and seconded to donate \$3,000 to the NRECA International Foundation Donation. Motion carried.

**3. Quarterly Write-Offs of Uncollectable Accounts**

Randall Magnison, Executive Vice President-Assistant CEO presented and discussed with the Board, the quarterly write-off of uncollectable accounts and miscellaneous receivables for the first quarter. After discussion, a motion was made and seconded to write-off seventeen (17) uncollectable electric accounts in the amount of \$2,596.44, and refer all to Brooks and Olson for collection. Motion carried.

**4. Resolution Authorizing Special Capital Credit Retirement & Applying Uncollectible Accounts**

After review and discussion, a motion was made and seconded to approve the “Resolution Authorizing General Capital Credit Retirement & Applying Against Uncollectable Accounts”. Motion Carried

**Resolution Authorizing Special Capital Credit Retirement to Apply Against Remaining Balances of Uncollectible Accounts Approved for Write Off as of March 25, 2019**

**WHEREAS**, Pioneer Electric Cooperative, Inc., (“Pioneer Electric”) has sold electricity to consumers on credit; and

**WHEREAS**, at its March 25, 2019 meeting, the Pioneer Electric Board of Trustees (the “Board” or “Trustees”) approved the write off of certain accounts deemed uncollectible that had been incurred on or before March 25, 2019.

**NOW, THEREFORE, BE IT RESOLVED**, the Board, in accordance with Pioneer Electric Bylaws and Policy No. 43, Capital Credits, hereby authorizes a Special Capital Credit Retirement to apply the net present value of any unretired capital credits of a consumer with an uncollectible written-off account against the remaining balance of the uncollectible account approved for write off on or before the March 25, 2019 Board meeting; and

**BE IT FURTHER RESOLVED**, that the unpaid discounted amount relevant to this special retirement will be retained as permanent equity of Pioneer Electric; and

**BE IT FURTHER RESOLVED**, the Board authorizes that the Special Capital Credit Retirement use the appropriate discount rate according to Board-approved Policy No. 43, Capital Credits.

**5. Ratification of Johnson Corner Station Power Agreement**

Executive VP Campbell reviewed with the Board the proposed agreement with Johnson Corner Solar I, LLC (JCS) and Sunflower Electric Whereby Pioneer Electric will provide station power service to the JCS solar farm located outside Johnson City which will generate renewable energy for Sunflower Electric under a power purchase agreement. After discussion, a motion was made and seconded to approve the JCS Station Power Agreement and authorize CEO Epperson to execute. Motion Carried.

**6. Board Authorization to Temporarily Waive Vacation Accrual Limits**

After discussion, a motion was made and seconded to approve temporarily waiving the 256-hour vacation accrual limit for employees due to the COVID-19 emergency and once the pandemic is no longer present, the limit will be reinstated and impacted employees over the limit will be required to use the excess within 12-months. Motion carried.

**7. Organizational Structure Adjustment**

After discussion, a motion was made and seconded to approve an adjustment to the organizational structure to reflect that the Information Technology department and staff



would be under the supervision of the Vice President of Finance & Accounting. Motion carried.

**OTHER BUSINESS**

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

**EXECUTIVE SESSION**

A motion was made and seconded to go into Executive Session at 11:18 a.m. Motion carried.

A motion was made and seconded to come out of Executive Session at 11:27 a.m. Motion carried.

**ADJOURNMENT**

A motion was made and seconded to adjourn the meeting at 11:27 a.m. Motion carried.



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John Jury, Secretary-Treasurer

APPROVED:



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Martie Floyd, President

