

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

January 25, 2023

CALL TO ORDER

The regular meeting of the Pioneer Electric Cooperative, Inc. (“Pioneer Electric” or “Cooperative”), Board of Trustees (“Board” or “Trustees”) was held in-person and remotely via Online Microsoft Office Teams on Wednesday, January 25, 2023, at the Cooperative’s headquarters in Ulysses, Kansas. The meeting convened at 8:30 a.m.

Present at the regular meeting were Board President Martie Floyd, Vice President Jeff Moyer, Secretary-Treasurer John Jury, Assistant Secretary-Treasurer Mike Brewer, and Trustees Steve Arnold, James Bell, David C. Light, Alfred Alexander, Charles Milburn, and Board Counsel Paul Kitzke. Also present at the Board meeting were Stephen J. Epperson, Chief Executive Officer (“CEO”); Lindsay A. Campbell, Executive Vice President/Assistant CEO & General Counsel; Mike Haney, Vice President of Engineering and Operations; and Anita Wendt, Vice President of Energy Services. Chantry C. Scott, Executive Vice President/CFO was absent and excused. Also in attendance for the full meeting was Pioneer Electric’s Michelle Brungardt, Executive Assistant and Chris Wagner, Manager of Purchasing, Materials, and Facilities. Present remotely for the full meeting was Pioneer Electric’s Larissa Layman, Legal Executive Assistant. In partial attendance for the meeting was Pioneer Electric’s Kristen Koehn, Manager of Energy Solutions, and Sherry Easton, Manager of Accounting. Board President Martie Floyd called the meeting to order.

INVOCATION & PLEDGE OF ALLEGIANCE

The meeting opened 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.

CONSENT AGENDA

- 1. Approval of December 14, 2022, Regular Board Meeting Minutes**
- 2. Approval of New & Reactivated Memberships**
- 3. Approval of Deactivated Memberships**
- 4. Approval of December 2022 Estate Retirement Applications**
- 5. Approval of December 2022 General Fund Checks & Transactions**
- 6. Approval of December Board Expense Reports**
- 7. Approval of December CEO Expense Report**

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

CEO CLOSE-UP MEETING UPDATE

CEO Stephen J. Epperson and Lindsay A. Campbell, Executive Vice President/Assistant CEO & General Counsel attended NRECA's 2023 CEO Close-Up held in Marco Island, Florida. Both reported that it was a great leadership conference that offers great value with the opportunity to hear from other cooperatives about their challenges and what they are actively doing in this time of great change in our industry. It was also reported that the general and breakout sessions were excellent concerning organizational change, investment in human capital, managing industry disruption, and much more.

KEC ANNUAL MEETING UPDATE

Trustees Mike Brewer, Jim Bell, Steve Arnold, and Jeff Moyer attended the 2023 KEC Annual Meeting held in Topeka, KS and provided a report on the Annual and Director meetings. The Trustees reported that the meetings were of great value and that KEC is expecting a retirement in their Loss, Control, and Safety department after which many changes will be made to the program. They also reported on the opportunity to have a day at the capital and visit with legislators.

SUNFLOWER ELECTRIC UPDATE

CEO Stephen J. Epperson updated the Board on Sunflower Electric Power Corporation (“Sunflower”) activities for the month of January. CEO Epperson reported that Sunflower’s new CEO, Todd Hillman, began in his new role at Sunflower on January 16, 2023. CEO Epperson also updated the Board on the Winter Storm Uri regulatory asset final settlements and current solar project proposals and schedules.

After review and discussion, a motion was made and seconded to include the Winter Storm Uri final settlement credits in the retail ECA in the month received from Sunflower. Motion carried.

CHIEF EXECUTIVE OFFICER’S REPORT

1. Finance & Accounting Update

a. Financial & Operating/Capital Budget Report

CEO Stephen J. Epperson, reported to the Board that once the year-end processes are complete and the 2022 year is closed out, the December 2022 reports will be uploaded to BoardPaq for review.

b. Budget Adjustment

Chris Wagner, Manager of Purchasing, Materials, and Facilities, reported to the Board on a recent analysis of current line extension work orders, identifying a need for an increase in the price of line extension costs of which were last updated in 2014. Current and proposed prices were presented, accounting for roughly a 30% increase. After review and discussion, a motion was made and seconded to approve the increase in line extension prices as presented. Motion carried.

2. Engineering & Operations

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

a. MarksNelson Engagement

Kristen Koehn, Manager of Energy Solutions, reported to the Board on funding opportunities from the Infrastructure Investment and Jobs Act/Bipartisan Infrastructure Law and the Inflation Reduction Act, and cost of engagement with MarksNelson for their services in identifying opportunities and grant writing. After review and discussion, a motion was made and seconded to commit to the engagement with MarksNelson for grantsmanship. Motion carried.

3. Energy Services

a. Update on Aged Balances & Disconnects for Non-Payment

Anita Wendt, Vice President of Energy Services, shared with the Board the month-to-date Pioneer Electric and Southern Pioneer January Aged Balance Reports, identifying the number of accounts delinquent and total dollar amount of arrearages by revenue class. A comparison from 2022 was also included revealing that on average there is a comparable amount of the total of aged balances for Pioneer Electric and a substantial increase in the total of aged balances for Southern Pioneer compared to the previous year. VP Wendt also reported on the total number of disconnects for non-pay for each of Pioneer Electric and Southern Pioneer's billing cycles. The Kansas Cold Weather Rule is now in effect as of November 1, 2022, therefore, the number of disconnects reduced dramatically from the previous month, December. Overall, the disconnect and accounts receivable process are continuing to go well for both companies, and Energy Services is continuing to promote all the ways to pay online, over the phone and with auto pay.

b. Energy Services/ "In the News"

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

4. Regulatory Update

Lindsay A. Campbell, Executive Vice President/Assistant CEO & General Counsel, advised she would stand on the majority of the written Regulatory Report as published on BoardPaq.

5. Corporate Services

Lindsay A. Campbell, Executive Vice President/Assistant CEO & General Counsel, advised she would stand on the majority of the written Regulatory Report as published on BoardPaq.

6. Administration

Lindsay A. Campbell, Executive Vice President/Assistant CEO & General Counsel, advised that she would stand on the majority of the written Administrative Report as published on BoardPaq.

GENERAL COUNSEL'S REPORT

None.

MATTERS REQUIRING BOARD ACTION

1. May Board Meeting Date

CEO Stephen J. Epperson updated the Board on a scheduling conflict with May's Regular Board Meeting on Wednesday, May 24, 2023, and proposed to reschedule the meeting on Friday, May 19, 2023. After review and discussion, a motion was made and seconded to reschedule May's Regular Board Meeting to Friday, May 19, 2023, at 8:30 a.m. Motion carried.

2. Approve Property Tax Surcharge Tariff

Sherry Easton, Manager of Accounting reviewed with the Board the property taxes that were paid by Pioneer Electric on a county-by-county basis from 2021-2022, the amount of property taxes currently embedded in base rates, and the difference between what was paid and what is embedded in base rates, which difference will need to be collected in the form of the property tax surcharge rider. Manager Easton provided and reviewed with the Board the proposed Property Tax Surcharge Rider tariff sheet and

offered to answer any questions regarding the 2023 Property Tax Surcharge Rider. After review and discussion of the presentation given by Manager Easton, a motion was made and seconded to approve the Property Tax Surcharge Rider with an effective date of February 1, 2023. Motion carried.

OTHER BUSINESS

1. **NRECA Director's Conference – February 4-7, 2023**
2. **KEC BOT Meeting – March 1-2, 2023**
3. **NRECA PowerXchange and Tech Advantage – March 3-8, 2023**
4. **CoBank 2023 Western Plains Customer Meeting – March 23-24, 2023**
5. **2023 NRECA Legislative Conference – April 16-19, 2023**
6. **NRECA New Director Orientation – April 25-28, 2023**

EXECUTIVE SESSION

A motion was made to go into Executive Session at 12:42 p.m. Motion carried.

A motion was made and seconded to come out of Executive Session at 1:33 p.m. Motion carried.

ADJOURNMENT

A motion was made and seconded to adjourn the meeting at 1:41 p.m. Motion carried.


Secretary-Treasurer John Jury

APPROVED:


Martie Floyd, President

