

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

March 22, 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 on Wednesday, February 22, 2023, at the Cooperative’s headquarters in Ulysses, Kansas. The meeting convened at 8:33 a.m.

Present at the regular meeting were Board President Martie Floyd, Vice President Jeff Moyer, Assistant Secretary-Treasurer Mike Brewer, and Trustees Steve Arnold, James Bell, David C. Light, Alfred Alexander, Charles Milburn, and Board Counsel Paul Kitzke. Absent and excused was Secretary-Treasurer John Jury. Also present at the Board meeting were Stephen J. Epperson, Chief Executive Officer (“CEO”); Lindsay A. Campbell, Executive Vice President/Assistant CEO & General Counsel; Chantry C. Scott, Executive Vice President/CFO; Mike Haney, Vice President of Engineering and Operations; Clint Meier, Vice President of Engineering and Operations; and Anita Wendt, Vice President of Energy Services. Michelle Brungardt, Executive Assistant, was absent and excused. In partial attendance for the meeting was Pioneer Electric’s Ryan Wilken, Manager of Information Technology. 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 February 22, 2023, Regular Board Meeting Minutes**
- 2. Approval of New & Reactivated Memberships**
- 3. Approval of Deactivated Memberships**
- 4. Approval of February 2023 Estate Retirement Applications**
- 5. Approval of February 2023 General Fund Checks & Transactions**
- 6. Approval of February 2023 Board Expense Reports**
- 7. Approval of February 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.

KEC BOARD OF TRUSTEES MEETING UPDATE

Trustees James Bell, Michael Brewer and Steve Arnold attended the Board of Trustees meeting in Salina, KS on March 2, 2023. They reported that the meeting went well and there were updates provided regarding safety, communications, and regulatory legislative activities.

NRECA POWERXCHANGE ANNUAL MEETING UPDATE

Trustees James Bell, Michael Brewer, Steve Arnold and Jeff Moyer, Board Counsel Paul Kitzke, CEO Stephen J. Epperson, and Assistant CEO – General Counsel Lindsay A. Campbell reported to the board attendance at the annual NRECA PowerXchange meeting held in Nashville, KS March 5-8. They reported that the overall theme of the meeting was “It’s time to lead,” and that there were several good sessions regarding cooperatives maneuvering through the quickly

changing and challenging environment, board culture and trust, new technologies, and supply chain issues.

SUNFLOWER ELECTRIC UPDATE

CEO Stephen J. Epperson updated the Board on Sunflower Electric Power Corporation (“Sunflower”) activities for the month of March. Specifically, CEO Epperson provided updates on the wholesale rate design initiative, work to develop solar projects at Russell, Liberal and Dodge City, KS, and transmission projects submitted for new cost allocation under the recently approved SPP C2 waiver process.

CHIEF EXECUTIVE OFFICER’S REPORT

1. Finance & Accounting Update

a. Financial & Operating/Capital Budget Report

CEO Stephen J. Epperson, reported to the Board posted in BoardPaq is a preliminary financial report for the Board’s review, reminding the Board that once the 2022 year-end processes are complete and 2022 is closed out, the December, January and February 2023 reports will be uploaded to BoardPaq for review.

2. IT Report

Ryan Wilken, Manager of Information Technology, provided a quarterly update on activities within the IT department. Manager Wilken discussed with the Board the current and upcoming IT projects, as well as updated the Board on the services currently being provided by one of its consultants, SkyHelm.

3. 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. Safety Update

VP Haney provided the quarterly update to the Board on the safety program. VP Haney summarized the trainings and demonstrations that have been provided to the employees and public over the last quarter, and then reviewed with the Board the accidents/incidents/near misses for the company.

4. 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 February 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 are less 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 months of December and January. 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.

c. WeCare

Anita Wendt, Vice President of Energy Services, reviewed with the Board the WeCare program. She stated that the WeCare program allows employees and trustees the option to donate from each paycheck to a fund. Money from this fund is then distributed to members/customers in need of assistances as a result of illness, accident or other unforeseen events or difficult circumstances.

d. PEAR Board Update

Anita Wendt, Vice President of Energy Services, introduced each of the members of the PEAR Board which board members were in attendance during this portion of the meeting: Sheila Mason, Trustee Alfred Alexander, Warren Baldwin, Patsy Jo Scott, and Brandi Lahey. VP Wendt then provided an overview of the PEAR program and board responsibilities. She stated that the PEAR program offers the opportunity to members to round up their monthly bill to the next dollar amount. Funds generated from members’ contributions are available to members in the form of charitable donations to assist with education, health, safety, and other purposes.

5. 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. Executive VP Campbell reported that Staff is working with its rate consultant, Power Systems Engineering, to complete and finalize for filing the 2023 consolidated formula based ratemaking plan annual update. She then reported on additional regulatory initiatives to take place over the next year, including that Staff is also beginning work with PSE to complete a rate redesign filing for all rate classes, which would include implementation of a 3-part rate for Southern Pioneer residential customers.

6. Corporate Services

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

7. 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. Manager Morales reviewed with the Board in Executive Session proposed organizational chart changes.

GENERAL COUNSEL'S REPORT

Board counsel Paul Kitzke reported to the Board on a third-party accident claim.

MATTERS REQUIRING BOARD ACTION

1. NRECA International Foundation Donation

CEO Stephen Epperson reviewed with the Board the option to provide a donation to the NRECA International Foundation. After review and discussion, a motion was made and seconded to authorize a \$3000 donation to the NRECA International Foundation. Motion carried.

2. Quarterly Write Offs of Uncollectible Accounts

Anita Wendt, Vice President of Energy Services, presented and discussed with the Board the quarterly write-off of uncollectible accounts for the fourth quarter. After discussion, a motion was made and seconded to write-off ten (10) uncollectible electric accounts in the amount of \$1,780 and refer all to Brooks and Olson for collection. Motion carried.

3. Resolution Authorizing Special Capital Credit Retirement and Applying Against Uncollectible Accounts

Anita Wendt, Vice President of Energy Services reviewed with the Board, the Resolution Authorizing Special Capital Credit Retirement and Applying Against Uncollectible Accounts. After review and discussion, a motion was made and seconded to approve the “Resolution Authorizing Special Capital Credit Retirement & Applying Against Uncollectible Accounts.” Motion Carried

Resolution Authorizing Special Capital Credit Retirement to Apply Against Remaining Balances of Uncollectible Accounts Approved for Write Off as of December 14, 2022

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

WHEREAS, at its March 22, 2023, 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 22, 2023.

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 22, 2023, 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.

4. Appoint Delegates for Sunflower and Sunflower Holdings

After discussion, a motion was made and seconded to appoint Trustee Mike Brewer as Voting Delegate and CEO Stephen Epperson as Alternate Delegate for both the Sunflower Electric and Sunflower Holdings 2023 annual meetings. Motion Carried.

OTHER BUSINESS

1. **CoBank 2023 Western Plains Customer Meeting – March 23-24, 2023**
2. **2023 NRECA Legislative Conference – April 16-19, 2023**
3. **NRECA New Director Orientation – April 25-28, 2023**
4. **KEC BOT Meeting – May 3-4, 2023**
5. **PECI & SPECo May Board Meeting – Friday, May 19, 2023**
6. **ACES – June 1-2, 2023**
7. **CFC Forum – June 19-21, 2023**

EXECUTIVE SESSION

A motion was made to go into Executive Session at 2:03 p.m. Motion carried.

A motion was made and seconded to come out of Executive Session at 3:21 p.m. Motion carried.

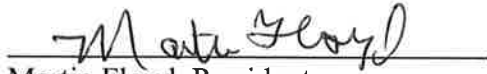
ADJOURNMENT

A motion was made and seconded to adjourn the meeting at 3:21 p.m. Motion carried.



Assistant Secretary-Treasurer Michael Brewer

APPROVED:



Martie Floyd, President

