

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

June 28, 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, June 28, 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; Chantry C. Scott, Executive Vice President/CFO; Anita Wendt, Vice President of Energy Services; Clint Meier, Vice President of Engineering and Operations; and Mike Haney, Vice President of Engineering and Operations. Also in attendance for the full meeting was Pioneer Electric’s Michelle Brungardt, Executive Assistant. Present remotely for the full meeting via Online Microsoft Office Teams was Larissa Layman, Legal Executive Assistant. In partial attendance was Kristen Koehn, Manager of Energy Solutions. 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 Present.)

CONSENT AGENDA

- 1. Approval of May 19, 2023, Regular Board Meeting Minutes**
- 2. Approval of May 19, 2023, Executive Meeting Minutes**
- 3. Approval of New & Reactivated Memberships**
- 4. Approval of Deactivated Memberships**
- 5. Approval of May 2023 Estate Retirement Applications**
- 6. Approval of May 2023 General Fund Checks & Transactions**
- 7. Approval of May 2023 Board Expense Reports**
- 8. Approval of May 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.

REMDC ANNUAL MEETING UPDATE

CEO Stephen J. Epperson shared with the Board that Pioneer completed an extensive membership application and was formally accepted into the Rural Electric Management Development Council (“REMDC”), an organization designed to support rural electric cooperatives by providing networking opportunities and resources to improve the effectiveness and management of rural electric systems. Lindsay A. Campbell, Executive Vice President/Assistant CEO & General Counsel and Kristen Koehn, Manager of Energy Solutions attended REMDC’s

Annual Meeting and conference in Blowing Rock, North Carolina in May. They reported that the conference was very insightful and that there were presentations on distributed energy management, economic updates, power supply and reliability, and much more.

18TH ANNUAL ACES MEMBERS CONFERENCE UPDATE

CEO Stephen J. Epperson and Trustee Mike Brewer attended the conference in Indianapolis. CEO Epperson reported that the conference offered quality content with topics concerning nuclear solutions and DER opportunities and funding.

REC MANAGERS MEETING UPDATE

CEO Epperson provided a report on the recent REC Managers meeting held in Wichita June 8th-9th. There were several important topics discussed, including consideration of developing a state-wide energy plan and cooperatives and regulation.

SUNFLOWER ELECTRIC UPDATE

CEO Stephen J. Epperson updated the Board on Sunflower Electric Power Corporation (“Sunflower”) activities for the month of June. CEO Epperson provided updates on rate design, including options for a change in the methodology for demand billing, as well as updates on power supply ECA, and progress of current solar projects.

CHIEF EXECUTIVE OFFICER’S REPORT

1. Energy Solutions Update

Kristen Koehn, Manager of Energy Solutions, gave a presentation on renewable energy and the impacts of behind-the-meter renewables. Manager Koehn also gave an update on the Landis and Gyr metering conference she attended, sharing that Landis and Gyr will be rolling out a new metering system in 2025 offering features that will allow a greater ability

to manage price signals, time-of-day use, and demand response management. Additionally, information regarding available grants that could support investing into the new metering system was shared.

2. Finance & Accounting Update

a. Financial & Operating/Capital Budget Report

Chantry Scott, Executive Vice President/CFO, reviewed with the Board the May 2023 Financial and Operating Report numbers. After review and discussion, a motion was made and seconded to approve the May 2023 Financial and Operating Report numbers. Motion Carried.

b. IRS Form 990

Chantry Scott, Executive Vice President/CFO distributed to the Board the Form 990 Questionnaire used to collect information necessary to complete the required IRS Form 990. Exec VP/CFO Scott reviewed the form and answered any questions from the Board.

3. Engineering & Operations

Clint Meier, 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.

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 May 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 comparable aged balances for Pioneer Electric and 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 no longer in effect as of April 1, 2023, therefore, as anticipated the number of disconnects dramatically increased compared to the months of November through March. The comparison in the number of 2023 disconnects to the 2022 disconnects are similar on average. 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. Community Solar Update

Anita Wendt, Vice President of Energy Services, updated the board on the Community Solar Program for residential members that was launched on June 1st. The program was created to provide members the opportunity for convenient, economic solar participation but without the ownership hassles. VP Wendt shared that the program has been promoted and presented to members by hosting a local Chamber Coffee event, sponsoring the KSN TV Summer Road Trip at the local coffee shop, and by visiting various clubs and organizations. Additionally, VP Wendt shared the plans for future advertisement and that the program has already

been advertised on the back of monthly bills, with social media posts, and on the radio. It was reported that the program is off to a great start with a lot of interest and members beginning to sign up for the program.

d. Nominating Committee Information

Anita Wendt, Vice President of Energy Services presented the names of individuals appointed to attend and participate in an upcoming Nominating Committee Meeting on July 13th at Pioneer Electric to appoint nominees for the 2023 Annual Meeting ballot for districts 1, 2, and 7. After the nominees are appointed, their names will then be posted at the Pioneer office and voted on at the 2023 Annual Meeting.

5. Regulatory Update

a. Southern Pioneer's 2023 Consolidated FBR Filing

Chantry Scott, Executive Vice President/CFO, reported that the 2023 third Annual Consolidated Formula Based Rate ("FBR") Filing was made on Monday, May 1, 2023, a procedural schedule has been established, and Southern Pioneer is currently responding to data requests from intervening parties. It was decided upon the parties in the docket that the Technical Conference scheduled in the docket on June 20, 2023, was not needed as there were not any issues to be discussed. Additionally, the Status Call scheduled for June 30, 2023, was not needed as any questions could be answered through expedited data request submission.

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.

Lindsay A. Campbell, Executive Vice President/Assistant CEO & General Counsel, reported to the board that she is visiting key accounts to update them on wholesale power costs and options available to commercial and industrial members under the Sunflower renewable energy program.

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.

GENERAL COUNSEL'S REPORT

None.

MATTERS REQUIRING BOARD ACTION

1. Quarterly Write-Off 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 second quarter. After discussion, a motion was made and seconded to write-off twenty-seven (27) uncollectible electric accounts in the amount of \$5,936.57, one (1) miscellaneous receivable accounts in the amount of \$440.78 and refer all to Brooks and Associates for collection. Motion carried.

2. Resolution Authorizing Special Capital Credit Retirement & Applying Against Uncollectible Accounts

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

approve the “Resolution Authorizing General 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 June 28, 2023

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

WHEREAS, at its June 28, 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 June 28, 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 June 28, 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.

3. Collection Agency Change – CBK Contract

Anita Wendt, Vice President of Energy Services, shared with the Board that Staff has been looking into different companies to handle Pioneer Electric’s uncollectible accounts and recently reviewed three presentations from different companies. VP Wendt presented to the board the option to switch from the current collections company, Brooks & Associates, and enter into a new collections contract with CBK, Inc. to allow the company to start collecting uncollectible accounts on behalf of Pioneer Electric. After review and discussion, a motion was made and seconded to approve the collection agency change and CBK, Inc. contract as proposed. Motion carried.

4. Ratification of Seaboard Energy Retail Electric Service Agreement

After review and discussion, a motion was made and seconded to approve ratifying the Seaboard Energy Retail Electric Service Agreement as presented. Motion carried.

5. Appoint NRECA Regional Meeting Delegate and Alternate Delegate

CEO Epperson advised the Board that Pioneer Electric needed to appoint a Voting Delegate and Alternate Delegate for the NRECA Regional Meeting. After discussion, a motion was made to appoint Trustee James Bell as the Delegate and Trustee Mike Brewer as the Alternate Delegate. Motion carried.

6. Appoint Voting Delegate and Alternate for NRECA Director Election

CEO Epperson advised the Board that Pioneer Electric needed to appoint a Voting Delegate and Alternate Delegate for the NRECA Director Election. After discussion, a motion was made to appoint Trustee James Bell as the Delegate and Trustee Mike Brewer as the Alternate Delegate. Motion carried.

OTHER BUSINESS

1. **PECI July Board Meeting – Friday, July 21, 2023 at 8:30 a.m.**
2. **CoBank 2023 Energy Directors Conference – July 24-26, 2023**
3. **KEC Summer Meeting – July 29-31, 2023**
4. **CoBank 2023 Energy & Water Executive Forum – August 29-31, 2023**
5. **Pioneer Electric Annual Meeting – September 14, 2023**
6. **NRECA Region 7&9 Meeting – September 26-28, 2023**
7. **KEC BOT Meeting – October 4-5, 2023**

EXECUTIVE SESSION

A motion was made to go into Executive Session at 1:36 p.m. Motion carried.

A motion was made and seconded to come out of Executive Session at 2:17 p.m. Motion carried.

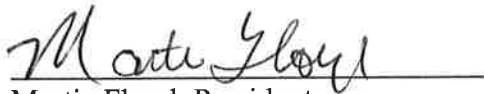
ADJOURNMENT

A motion was made and seconded to adjourn the meeting at 2:17 p.m. Motion carried.



John Jury, Secretary-Treasurer

APPROVED:



Martie Floyd, President