

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

July 21, 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, July 21, 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; Anita Wendt, Vice President of Energy Services; and Clint Meier, Vice President of Engineering and Operations. Present remotely for the full meeting was Mike Haney, Vice President of Engineering Operations. Chantry C. Scott, Executive Vice President/CFO was absent and excused. Also in attendance for the full meeting was Pioneer Electric’s Sherry Easton, Manager of Accounting; Michelle Brungardt, Executive Assistant; and Larissa Layman, Legal Executive Assistant. In partial attendance was Tolan Seger, Manager of Safety and Compliance and Melissa Morales, Human Resources Manager. 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 June 28, 2023, Regular Board Meeting Minutes**
- 2. Approval of June 28, 2023, Executive Meeting Minutes**
- 3. Approval of New & Reactivated Memberships**
- 4. Approval of Deactivated Memberships**
- 5. Approval of June 2023 Estate Retirement Applications**
- 6. Approval of June 2023 General Fund Checks & Transactions**
- 7. Approval of June 2023 Board Expense Reports**
- 8. Approval of June 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.

SUNFLOWER ELECTRIC UPDATE

A motion was made to go into Executive Session at 8:44 a.m. Motion carried.

A motion was made and seconded to come out of Executive Session at 9:00 a.m. Motion carried.

CEO Stephen J. Epperson updated the Board on Sunflower Electric Power Corporation (“Sunflower”) activities for the month of July, including updates on grant funding opportunities, the C2 cost allocation waiver issue, power supply and ECA, and the progress of current solar projects.

CHIEF EXECUTIVE OFFICER'S REPORT

1. Finance & Accounting Update

a. Financial & Operating/Capital Budget Report

Sherry Easton, Manager of Accounting, reported to the Board that due to the early date of the July Board meeting, the July 2023 Financial and Operating Report numbers were not yet available. Manager Easton reviewed a preliminary report with the Board and advised that the final reports will be uploaded to BoardPaq once they are available.

2. 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.

a. Commitment to Zero

Tolan Seger, Manager of Safety and Compliance, reviewed with the Board a third-party, anonymous survey that was sent out to all lineman to complete concerning procedural safety practices, effectiveness, and lineman feedback on satisfaction. KEC's Mikey Goddard sat with the lineman to facilitate the survey. After review of the survey by management, it was concluded that there are a few minor Safety Manual updates that will need incorporated. Overall, the survey conveyed that current safety procedures are effective and performed to a high standard.

b. Renewable Projects/SPP

Clint Meier, Vice President of Engineering and Operations, reviewed with the Board the Southwest Power Pool's ("SPP") Generation Interconnection ("GI")

Queue project process, timeline, and reviewed the number of generation projects in the queue in Kansas and throughout Pioneer Electric's service territory.

c. Substation Department

Clint Meier, Vice President of Engineering and Operations, updated the Board on current substation department personnel knowledge and experience as well as department needs for transition. Melissa Morales, Human Resources manager, proposed adding a Substation and Apparatus Supervisor position, which would be an organizational chart change to allow for supervision, training, and talent depth over all locations. After discussion, a motion was made and seconded to add the full-time Substation and Apparatus Supervisor position and make changes to the organizational chart as proposed. 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 June 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 July 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 during the month of July in a KCL magazine article, on social media and on the radio. Additionally, VP Wendt shared the plans for future advertisement and that as of July 17, 2023 there has been 289 solar shares sold.

d. Nominating Committee Information

A motion was made to go into Executive Session at 11:47 a.m. Motion carried.

A motion was made and seconded to come out of Executive Session at 12:03 p.m. Motion carried.

Anita Wendt, Vice President of Energy Services reviewed with the Board a timeline of events leading up to Pioneer Electric’s Annual Meeting to be held in conjunction with Pioneer Communications scheduled for September 14, 2023, at 6:00 p.m. at

the Grant County Civic Center. Anita Wendt, Vice President of Energy Services reported that there was a Nominating Committee meeting held on July 13, 2023 where the nominees for the 2023 ballot were appointed and then posted at the Pioneer office for districts 1, 2, and 7 to be voted on at the Annual Meeting.

4. Regulatory Update

a. Southern Pioneer's 2023 Consolidated FBR Filing

Lindsay A. Campbell, Executive Vice President/Assistant CEO & General Counsel, 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 has completed all responses to data requests. On June 30, 2023, KCC Staff filed Direct Testimony recommending approval of Southern Pioneer's Application with a few proposed adjustments to the 2022 billing determinants, impacting the filed 34.5 kV LADS rate. Intervenors also filed testimony with recommendations. Southern Pioneer filed its Rebuttal Testimony on Monday, July 17, 2023.

b. Southern Pioneer's Joint Application with Sunflower Electric in Evergy's Application Related to Wholesale Demand Response Participation

Lindsay A. Campbell, Executive Vice President/Assistant CEO & General Counsel, reported that Southern Pioneer filed jointly with Sunflower Electric to participate in Evergy's Docket No. 23-EKCE-588-TAR, regarding retail customer Demand Response Participation in the SPP Integrated Marketplace.

5. 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.

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.

Lindsay A. Campbell, Executive Vice President/Assistant CEO & General Counsel, reported to the Board that she and Kristen Koehn, Manager of Energy Solutions, are visiting key accounts to update them on wholesale power costs and options available to commercial and industrial members under the Sunflower Renewable Energy Program.

GENERAL COUNSEL'S REPORT

None.

MATTERS REQUIRING BOARD ACTION

1. Approve EZ Blockchain Supplemental Agreement to Retail Electric Service Agreement

Lindsay A. Campbell, Executive Vice President/Assistant CEO & General Counsel, presented to the Board the Supplemental Agreement to Retail Electric Service Agreement. After review and discussion, the Board had some additional questions regarding the agreement and it was agreed that consideration of the agreement would be moved to the August Board meeting. Lindsay A. Campbell, Executive Vice President/Assistant CEO & General Counsel

OTHER BUSINESS

1. CoBank 2023 Energy Directors Conference – July 24-26, 2023
2. KEC Summer Meeting – July 29-31, 2023
3. CoBank 2023 Energy & Water Executive Forum – August 29-31, 2023
4. Pioneer Electric Annual Meeting – September 14, 2023
5. NRECA Region 7&9 Meeting – September 26-28, 2023
6. KEC BOT Meeting – October 4-5, 2023

EXECUTIVE SESSION

A motion was made to go into Executive Session at 1:27 p.m. Motion carried.

A motion was made and seconded to come out of Executive Session at 2:35 p.m. Motion carried.

ADJOURNMENT

A motion was made and seconded to adjourn the meeting at 2:35 p.m. Motion carried.



John Jury, Secretary-Treasurer

APPROVED:



Martie Floyd, President