

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

August 23, 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, August 23, 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 David C. Light, Alfred Alexander, Charles Milburn, and Board Counsel Paul Kitzke. Present remotely for the full meeting was Trustee Jim Bell. Trustee Steve Arnold was present remotely for the first part of the meeting and later joined in-person. Also present at the Board meeting were Lindsay A. Campbell, Interim Chief Executive Officer (“CEO”); Chantry C. Scott, Interim Assistant Chief Executive Officer; Anita Wendt, Vice President of Energy Services; Clint Meier, Vice President of Engineering and Operations; and Mike Haney, Vice President of Engineering Operations. Also in attendance for the full meeting was Pioneer Electric’s Michelle Brungardt, Executive Assistant; and Larissa Layman, Legal Executive Assistant. In partial attendance was Rae Gorman, Manager of Energy Services; Ryan Wilken, Manager of Information Technology; Kristen Koehn, Manager of Energy Solutions; 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

Jonathan Wonsettler, Data Center Area Manager for EZ Blockchain, one of Pioneer Electric's key accounts, was in attendance to share with the Board EZ Blockchain's company history, their business structure and mission, and provide an overview of Bitcoin mining.

CONSENT AGENDA

- 1. Approval of July 21, 2023, Regular Board Meeting Minutes**
- 2. Approval of July 21, 2023, Executive Meeting Minutes**
- 3. Approval of New & Reactivated Memberships**
- 4. Approval of Deactivated Memberships**
- 5. Approval of July 2023 Estate Retirement Applications**
- 6. Approval of July 2023 General Fund Checks & Transactions**
- 7. Approval of July 2023 Board Expense Reports**
- 8. Approval of July 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.

COBANK ENERGY DIRECTORS CONFERENCE

Trustees David Light, Mike Brewer, Jeff Moyer, and Jim Bell attended CoBank's Energy Director Conference at The Broadmoor in Colorado Springs, Colorado, July 24th-26th. Trustee Jeff

reported that he thought it was a great conference with a great lineup of speakers including a forum on the upcoming election. All of the Trustees agreed that it was a great conference.

KEC SUMMER BOARD MEETING

Lindsay A. Campbell, Interim CEO, and Board Trustees Mike Brewer, Jeff Moyer, and Jim Bell attended the KEC Summer Board Meeting in Overland Park, Kansas, July 29th-July 31st. Trustee Mike reported that the classes offered were beneficial and covered topics on shared services, system mergers, and available grant funds. Trustee Jeff reported that he also thought the classes were insightful and that he attended a ratemaking class.

SUNFLOWER ELECTRIC UPDATE

A motion was made to go into Executive Session at 9:39 a.m. Motion carried.

A motion was made and seconded to come out of Executive Session at 10:37 a.m. Motion carried.

Interim CEO, Lindsay A. Campbell, updated the Board on Sunflower Electric Power Corporation (“Sunflower”) activities for the month of August, including updates on the C2 waiver and resource adequacy issues at SPP, rate design changes as a result of the recent cost of service study, and the 2024-2027 load forecast and budget.

CHIEF EXECUTIVE OFFICER’S REPORT

1. Finance & Accounting Update

a. Financial & Operating/Capital Budget Report

Interim Assistant CEO, Chantry C. Scott, reviewed with the Board the July 2023 Financial and Operating Report numbers. After review and discussion, a motion was made and seconded to approve the July 2023 Financial and Operating Report numbers. Motion Carried.

2. Information Technology

Ryan Wilken, Manager of Information Technology, updated that Board on current and upcoming projects that ensure IT governance for a secure, strategic, cost-effective, uninterrupted, and smoothly operating technology system.

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 July 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 employee promotions, 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 1, 2023. 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 August on social media, bill inserts, and on billing statements. Additionally, VP Wendt shared the plans for future advertisement and that as of August 15, 2023, there has been 300 solar shares sold.

d. Nominating Committee Information

Anita Wendt, Vice President of Energy Services, presented to the Board the names of the elections judges that were appointed to perform the ballot counting process for the upcoming 2023 Annual Meeting. After review and discussion, a motion was made and seconded to approve the election judges presented. Motion carried.

VP Wendt also 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.

5. Regulatory and Legislative

a. Southern Pioneer's 2023 Consolidated FBR Filing

Lindsay A. Campbell, Interim CEO, reported that an Order was issued from the KCC on July 27, 2023, approving Southern Pioneer's third Annual Consolidated Formula Based Rate ("FBR") filing as filed and including KCC Staff's proposed adjustments. The new rates were effective as of August 1, 2023.

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

Lindsay A. Campbell, Interim CEO, 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.

6. Corporate Services

Lindsay A. Campbell, Interim CEO, advised she would stand on the written Corporate Services Report as published on BoardPaq.

a. Sunflower Cimarron River Process Boiler Project

Lindsay A. Campbell, Interim CEO, reported to the Board that Sunflower Electric's process boiler control system is at end of life and a modernization is necessary to continue operating in a safe, reliable, and efficient manner. The process that will be required to update the equipment and ensure business continuity, project timeline, and cost was reviewed with the Board. Staff will continue to keep the Board up to date on the project.

7. Energy Solutions

Kristen Koehn, Manager of Energy Solutions, updated the Board on current installed and in-queue behind-the-meter renewable generation, system upgrades, and the possibility of future projects.

8. Administration

Lindsay A. Campbell, Interim CEO, advised that she would stand on the majority of the written Administrative Report as published on BoardPaq.

Lindsay A. Campbell, Interim CEO, 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.

a. KECHIT Renewal Options

Melissa Morales, Human Resources Manager, presented to the Board the new 2023 rates for renewal of BlueCross BlueShield (“BCBS”) Health Insurance and an alternative proposal for administrative only services with a third-party that the Kansas Electric Cooperatives Health Insurance Trust (“KECHIT”) has reviewed and will be voting on in September for health insurance in the upcoming year. The proposed move to a third-party administrator would result in material savings for the KECHIT cooperatives. Manager Morales reviewed the itemized costs for administrative services, premiums, etc. BCBS’s fully funded 2023 renewal rates were reviewed and compared to the third-party rates. After review and discussion, the Board approved the action to vote for either ASO “Option 1” or “Option 2” to

renew the BCBS health insurance plan with the alternative third-party administrative services at the upcoming KECHIT meeting. Motion carried.

After additional discussion, a motion was made and seconded to appoint Lindsay A. Campbell, Interim CEO, as KECHIT Trustee for the duration of time while serving under the title of Interim CEO. Motion carried.

GENERAL COUNSEL'S REPORT

None.

MATTERS REQUIRING BOARD ACTION

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

Lindsay A. Campbell, Interim CEO, brought back to the Board from the previous meeting the Supplemental Agreement to Retail Electric Service Agreement. After review and discussion, a motion was made and seconded to approve the EZ Blockchain Supplemental Agreement as presented in substantial form. Motion carried.

2. Ratify Secondment Agreement Between Pioneer and Sunflower

After review and discussion, a motion was made and seconded to ratify the Secondment Agreement between Pioneer and Sunflower as it relates to Steve Epperson assuming the Interim CEO and President position at Sunflower Electric.

3. Approve Interim CEO Signing Authority

After review and discussion, a motion was made and seconded to approve Lindsay A. Campbell, Interim CEO, signing authority for the duration of time while serving under the title Interim CEO. Motion carried.

4. Ratify Sunflower Board Interim Delegate and Interim Alternate

After review and discussion, a motion was made and seconded to ratify Lindsay A. Campbell, Interim CEO, as delegate and Chantry C. Scott, Interim Assistant CEO, as alternate for the Sunflower Board for the duration of time while serving under current titles. Motion carried.

5. Appoint 2023 CFC Voting Delegate for NRECA Region 7 Meeting

After discussion, a motion was made and seconded to appoint Trustee Jim Bell as the voting delegate and Assistant Secretary-Treasurer Mike Brewer as alternate voting delegate. Motion carried.

6. Appoint 2023 Federated Voting Delegate for NRECA Region 7 Meeting

After discussion, a motion was made and seconded to appoint Assistant Secretary-Treasurer Mike Brewer as the voting delegate and Vice President Jeff Moyer as alternate voting delegate. Motion carried.

7. 2023 Annual Meeting – Appointment of Election Judges

Earlier in the meeting a motion was made and seconded to appoint the election judges as presented for the upcoming 2023 Annual Meeting. Motion carried.

OTHER BUSINESS

1. CoBank 2023 Energy & Water Executive Forum – August 29-31, 2023
2. KEC Fall Managers Meeting – September 6-7, 2023
3. Pioneer Electric Annual Meeting – September 14, 2023
4. NRECA Region 7&9 Meeting – September 26-28, 2023
5. KEC BOT Meeting – October 4-5, 2023
6. Irrigator and Budget Meeting – November 29, 2023 at 10 a.m.
7. PEGI Christmas Party – December 1, 2023
8. KEC BOT Meeting – December 6-7, 2023
9. Employee Appreciation – December 29, 2023

EXECUTIVE SESSION

A motion was made to go into Executive Session at 2:14 p.m. Motion carried.

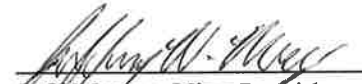
A motion was made and seconded to come out of Executive Session at 2:58 p.m. Motion carried.

ADJOURNMENT

The Pioneer Electric Board meeting recessed at 2:58 p.m. until September 14, 2023.

John Jury, Secretary-Treasurer

APPROVED:



Jeff Moyer, Vice President