

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

January 24, 2024

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, January 24, 2024, at the Cooperative’s headquarters in Ulysses, Kansas. The meeting convened at 8:30 a.m.

Present at the regular meeting were Board President Michael Brewer, Vice President Jeffrey Moyer, Secretary-Treasurer John Jury, Assistant Secretary-Treasurer David Light, and Trustees Alfred Alexander, James Bell, Charles Milburn, Lori Deyoe, and Board Counsel Paul Kitzke. Also present at the Board meeting were Lindsay A. Campbell, Interim Chief Executive Officer (“CEO”); Chantry C. Scott, Interim Assistant Chief Executive Officer; and Clint Meier, Vice President of Engineering. Anita Wendt, Vice President of Energy Services was absent and excused. Also in attendance for the full meeting was Pioneer Electric’s Michelle Brungardt, Executive Assistant; Larissa Layman, Legal Executive Assistant; Kristen Koehn, Manager of Energy Solutions; Tolan Seger, Manager of Safety and Compliance; Melissa Morales, Manager of Human Resources; Rae Gorman; Manager of Energy Services; and Chris Wagner; Manager of Purchasing, Materials, and Facilities. Board President Michael Brewer 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 20, 2023, Regular Board Meeting Minutes**
- 2. Approval of October 13, 2023, Special Board Meeting Minutes**
- 3. Approval of January 11, 2024, Special Board Meeting Minutes**
- 4. Approval of New & Reactivated Memberships**
- 5. Approval of Deactivated Memberships**
- 6. Approval of December 2023 General Fund Checks & Transactions**
- 7. Approval of December 2023 Board Expense Reports**
- 8. 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 CONFERENCE UPDATE

Interim CEO, Lindsay A. Campbell, attended NRECA’s 2024 CEO Close-Up held in Phoenix, Arizona. Interim CEO Campbell reported that it was a great leadership conference that offers great value. It was also reported that the general and breakout sessions were excellent concerning distributed energy resources and rate design.

SUNFLOWER ELECTRIC UPDATE

Interim CEO, Lindsay A. Campbell, updated the Board on Sunflower Electric Power Corporation (“Sunflower”) activities for the month of January. Interim CEO Campbell reviewed updates on generation and power supply, current solar projects, and transmission operations. Additionally, Interim Assistant CEO, Chantry Scott reported on transmission policy surrounding highway/byway cost allocations concerning zonal arrangements and Notice To Construct pursuits. Additionally, Interim CEO Campbell and Kristen Koehn, Manager of Energy Solutions, gave an update on Grid Resilience and Innovation Partnership (“GRIP”) projects submitted to the USDA under “Project Food Secure” concept papers.

CHIEF EXECUTIVE OFFICER’S REPORT

a. Strategy Execution

Interim CEO, Lindsay A. Campbell, introduced the Board to Pioneer and Southern Pioneer’s Strategy Execution process, reviewing the key events throughout the planning process leading into the implementation and roll out. Company mission, vision, and values were reviewed as key starting points and each person on the strategy execution team shared on their key objectives and how that is supporting the company’s strategic plan. Further periodic updates on strategy execution will be continued.

b. Finance & Accounting Update

a. Financial & Operating/Capital Budget Report

Interim Assistant CEO, Chantry C. Scott, reported to the Board that once the year-end processes are complete and the 2023 year is closed out, the December 2023

reports will be uploaded to BoardPaq for review. Preliminary reports were reviewed with the Board.

c. 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. Additionally, VP Meier reported on the weather event on January 8, 2024, and the impacts it had on the Pioneer and Southern Pioneer system, including outages and galloping transmission lines.

d. 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 2023 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 went into effect as of November 1, 2022, therefore, the number of disconnects has reduced dramatically. The comparison in the number of 2024 disconnects to the 2023 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. Company “In the News” Report

Anita Wendt, Vice President of Energy Services, discussed recent happenings, the retirement celebration of Vice President of Engineering and Operations, Mike Haney, upcoming events, and Facebook statistics at Pioneer Electric and Southern Pioneer.

e. Regulatory and Legislative

Lindsay A. Campbell, Interim CEO, advised she would stand on the written Regulatory and Legislative Report as published on BoardPaq.

a. Update on Southern Pioneer’s KCC Rate Design Docket No. 24-SPEE-415-TAR

Chantry C. Scott, Interim Assistant CEO, reported to the Board that Southern Pioneer filed Application on November 30, 2023 seeking to update rate design to address cross-class and intra-class subsidizations and to modernize its rates and tariffs to better serve its customers’ needs and demands as they have evolved with changes in the industry. A procedural schedule has been set and Southern Pioneer has been responding to data requests.

f. Corporate Services

Lindsay A. Campbell, Interim CEO, advised she would stand on the written Corporate Services Report as published on BoardPaq. Interim CEO Campbell also reported that the quarterly WKIEC call was held.

g. Administration

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

a. Review of Policies #5, #57, and #58

Melissa Morales, Manager of Human Resources reviewed with the Board the current Policy #5 – Holidays, Personal Leave, and Jury Duty. It was proposed to start recognizing December 24th as a holiday for Christmas eve yearly, which would be adding one 8-hour holiday for employees. Additionally, concerning policy #5, it was proposed to change the accrual of personal time for simplification and to begin allowing employees to take the time in 15-minute increments rather than as complete 8-hour blocks of time. It was also proposed to add two new policies: #57 – Reasonable Accommodation Regarding Pregnancy, Childbirth, and Lactation; and #58 – Reasonable Accommodations Regarding Disabilities and Religious Beliefs to align with new and recent addition of laws. After review and discussion of the policy presentation, a motion was made and seconded to approve the policies as presented including the addition of recognizing Christmas Eve as a holiday, the accrual of personal time and 15-minute incremental usage, as well as the two new policies #57 and #58. Motion carried.

GENERAL COUNSEL’S REPORT

Discussion was held in executive session.

MATTERS REQUIRING BOARD ACTION

1. Approve Property Tax Surcharge Tariff

Chantry Scott, Interim Assistant CEO, reviewed with the Board the property taxes that were paid by Pioneer Electric on a county-by-county basis from 2022-2023, 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. Interim Assist CEO Scott provided and reviewed with the Board the proposed Property Tax Surcharge Rider tariff sheet and offered to answer any questions regarding the 2024 Property Tax Surcharge Rider. After review and discussion of the presentation given by Interim Assist CEO Scott, a motion was made and seconded to approve the Property Tax Surcharge Rider with an effective date of February 1, 2024. Motion carried.

2. Approval of Addendum to Secondment Agreement

After review and discussion, a motion was made and seconded to approve the Addendum to Secondment Agreement between Pioneer and Sunflower as it relates to Steve Epperson serving as the Interim CEO and President position at Sunflower Electric for an additional 6 months. Motion carried.

OTHER BUSINESS

- 1. NRECA New Director Orientation – January 31, 2024, to February 2, 2024**
- 2. NRECA PowerXchange & Tech Advantage – March 1-6, 2024**
- 3. KEC BOT Meeting – Wichita – March 13-14, 2024**
- 4. NRECA New CEO Orientation – March 18-22, 2024**
- 5. CoBank Western Plains Customer Meeting – March 19-20, 2024**
- 6. NRECA Directors Conference – April 6-9, 2024**
- 7. NRECA Legislative Conference – April 21-24, 2024**

EXECUTIVE SESSION

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 12:18 p.m. Motion carried.

A motion was made to go into a second Executive Session at 1:34 p.m. Motion carried.

A motion was made and seconded to come out of Executive Session at 2:25 p.m. Motion carried.


ADJOURNMENT

A motion was made and seconded to adjourn the meeting at 2:25 p.m.



John Jury, Secretary-Treasurer

APPROVED:



Michael Brewer, President