

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

February 27, 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 Tuesday, February 27, 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, Mark Goehring, 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; Anita Wendt, Vice President of Energy Services; and Clint Meier, Vice President of Engineering. Also in attendance for the full meeting was Pioneer Electric’s Michelle Brungardt, Executive Assistant; and Larissa Layman, Legal Executive Assistant. In partial attendance for the meeting was Kristen Koehn, Manager of Energy Solutions; Ryan Wilken, Manager of Information and Technology; Tim Ochoa, Network Administrator; and Tolan Seger, Manager of Safety and Compliance. Board President Michael Brewer called the meeting to order.

INVOCATION & PLEDGE OF ALLEGIANCE

The meeting opened with an invocation and the Pledge of Allegiance.

PUBLIC – INTRODUCTION OF GUESTS

1. Public Rate Notice Meeting for Approval of Proposed Energy Delivery Charge/Demand Charge Rate Adjustments.

At 8:30 a.m. during Pioneer Electric’s Regular Board meeting, a Rate Notice Meeting was held pursuant to K.S.A 66-104d, whereby the Board of Trustees reviewed and proposed rate adjustments to cover operating costs, ensure reliable service, and make debt service payments of the cooperative. For the impacted rate schedules, these adjustments represent an overall average increase of approximately 3%, with adjustments to the Energy Delivery Charge/Demand Charge. There were no guests present.

After review and discussion, a motion was made and seconded to approve the rate adjustments as proposed. Motion carried.

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.

CONSENT AGENDA

1. **Approval of January 24, 2024, Regular Board Meeting Minutes**
2. **Approval of January 24, 2024, Executive Meeting Minutes**
3. **Approval of New & Reactivated Memberships**
4. **Approval of Deactivated Memberships**
5. **Approval of January 2024 General Fund Checks & Transactions**
6. **Approval of January 2024 Board Expense Reports**
7. **Approval of January 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 WINTER CONFERENCE

Trustees Michael Brewer, Jeff Moyer, Jim Bell and Pioneer's Interim CEO, Lindsay A. Campbell, and Interim Assistant CEO, Chantry Scott, attended KEC's Winter Conference and Annual Meeting February 3rd-5th in Topeka, Kansas. They reported that the meeting went well and there were updates provided regarding safety, communications, and regulatory legislative activities. Additionally, the meeting allowed time for Trustees and Staff to meet with legislators both at the capitol, as well as during an evening reception.

KEC CEO LEADERSHIP RETREAT

Interim CEO, Lindsay A. Campbell, attended KEC's CEO Leadership Retreat February 7th-8th. Interim CEO Campbell reported that the Retreat was inspiring as Abe Abrams, a recently retired Army Four Star General, shared his experiences in the military and how his leadership style and experience translates to cooperatives.

SUNFLOWER ELECTRIC UPDATE

Interim CEO, Lindsay A. Campbell, updated the Board on Sunflower Electric Power Corporation ("Sunflower") activities for the month of February. Interim CEO Campbell reviewed updates on power supply, projects that will be included in the New ERA application, and integrated resource planning. Additionally, transmission updates on the C1 cost allocation initiative were shared.

Assistant Interim CEO, Chantry Scott, presented Sunflower's 2023 excess margin credits to be given to Pioneer and Southern Pioneer. The Sunflower Board approved to credit a total of \$5.8 million back to their members, with Pioneer to receive \$1,093,478 and Southern Pioneer to

receive \$957,181. Sunflower will spread the total credit to Southern Pioneer over the remainder of the 2024 year, excluding pass-through customers. Assist, Interim CEO, Scott recommended and proposed to the Board to spread the credit to Pioneer's non-pass through customers in June-August's ECA. After review and discussion, a motion was made and seconded for Pioneer to spread Sunflower's credit to its' members in June-August's ECA as proposed. Motion carried.

CHIEF EXECUTIVE OFFICER'S REPORT

1. Energy Solutions

Kristen Koehn, Manager of Energy Solutions, gave an update on the GRIP funding process, progress on the full system analysis study for smart grid upgrades, municipality AMI deployment, and Pioneer and Southern Pioneer's SCADA system.

2. Finance & Accounting Update

a. Financial & Operating/Capital Budget Report

Interim Assistant CEO, Chantry C. Scott, shared with the Board preliminary financial reports for February 2024. Interim Assist CEO Scott reminded the Board that once the year-end processes are complete and the 2023 year is closed out, the final reports will be available for review.

3. IT Cybersecurity Update

Ryan Wilken, Manager of Information and Technology, provided a quarterly update on activities within the IT department. Manager Wilken discussed with the Board the current and upcoming IT projects. Additionally, Manager Wilken reported that there was a \$3,000 increase of the budgeted amount of \$115,880 to an actual amount of \$118,266 for the Salto Door Access Controls at the Medicine

Lodge office and sought approval of a \$3,000 budget deviation. After review and discussion, a motion was made and seconded to approve the budget deviation of \$3,000 for the Salto Door Access Controls at the Medicine Lodge office. Motion carried.

4. 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 that taxes of \$3,000 were not previously included in a board approved quote for a floor sweeper in at the Liberal office and sought approval of a \$3,000 budget deviation. After review and discussion, a motion was made and seconded to approve the budget deviation of \$3,000 for the taxes on the floor sweeper at the Liberal office. Motion carried.

5. Safety Update

KEC's Mikey Goddard, Instructor of Loss Control, Safety, and Compliance joined the meeting and assisted Tolan Seger, Manager of Safety and Compliance, on safety statistics for the state and a comparison for Pioneer and Southern Pioneer. Interim CEO, Lindsay A. Campbell, and Interim Assistant CEO, Chantry C. Scott, updated the Board on recent incidents within the company.

6. 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 2023 was also included revealing that aged balances for Pioneer Electric and Southern Pioneer are less in comparison 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 have overall reduced dramatically. However, the weather warmed up in the month of February accommodating the ability for Pioneer Electric to disconnect once, resulting in more disconnects than the previous year. 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, upcoming events, and Facebook statistics at Pioneer Electric and Southern Pioneer.

7. Regulatory and Legislative

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

a. 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. CURB, National Beef, and Air Products and Chemicals

have filed petitions to intervene. Southern Pioneer is currently responding to data requests in the docket and preparing for the public hearing scheduled on Tuesday, March 19, 2024, at 6:00 p.m. by means of a Zoom meeting. Customer notices have been mailed out to residential and large commercial customers regarding the proposed changes and the scheduled hearing.

b. Southern Pioneer’s Renewable Energy Program Docket No. 24-SPEE-540-TAR

Southern Pioneer filed application to request approval of its Renewable Energy Program (“RE Program”) on January 31, 2024. Southern Pioneer’s RE Program will align with Pioneer Electric’s current RE Program and will provide qualifying residential and commercial and industrial customers the opportunity to participate directly in and receive the benefits of utility-scale solar and wind renewable projects. CURB, National Beef, and Air Products and Chemicals have filed petitions to intervene. Southern Pioneer is currently responding to data requests in the docket.

8. 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.

9. Administration

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

GENERAL COUNSEL'S REPORT

Board Counsel Paul Kitzke gave an update on Silver Starr Management's miscellaneous receivable debt. Counsel Kitzke shared that the case has gone to mediation.

EXECUTIVE SESSION

A motion was made to go into Executive Session at 12:45 p.m. to discuss release and resignation of Mr. Stephen Epperson's position as CEO of Pioneer Electric as a result of Mr. Epperson accepting the position of President and CEO at Sunflower Electric.

A motion was made and seconded to come out of Executive Session at 3:15 p.m. Motion carried.

MATTERS REQUIRING BOARD ACTION

1. Release and Resignation of Employment – Stephen J. Epperson

After review and discussion, a motion was made and seconded to accept the release and resignation of employment of Stephen J. Epperson as CEO for Pioneer Electric, effective March 17, 2024. Motion carried.

2. Instatement of CEO and Executive Vice President – Assistant CEO and CFO

After review and discussion, a motion was made and seconded to instate Lindsay A. Campbell as Chief Executive Officer of Pioneer Electric, and Chantry C. Scott as Executive Vice President – Assistant CEO and CFO of Pioneer Electric, effective March 16, 2024. Motion carried.

OTHER BUSINESS

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

ADJOURNMENT

A motion was made and seconded to adjourn the meeting at 3:35 p.m.



John Jury, Secretary-Treasurer

APPROVED:



Michael Brewer, President

