

REGULAR BOARD OF TRUSTEES MEETING

The regular monthly meeting of the Board of Trustees of The Caney Valley Electric Cooperative Association, Inc., was held Tuesday, January 13, 2026, at Cedar Vale, State of Kansas, at 6:30 p.m.

The meeting was called to order by President, Chris Kelly, who acted as chairman and presided at the meeting. Joni Hubert, Accounting & HR Manager, recorded the minutes thereof.

Upon calling the roll, the following Trustees reported as present:

Chris Kelly
Steve Clark
Barry Speer

Stephanie Ollenborger
Dan Hubert
Steve Warburton

Trey Clapp
Jack Newcomb

Others present for the meeting were Allen A. Zadorozny, Manager, Montana Johnson, Line Superintendent, and Joni Hubert. Paul Buck, Attorney, participated via Zoom. Chairman Kelly declared the meeting duly organized for the dispatch of such business as might come before it. Chris Kelly offered a prayer and opened with the flag salute.

Consideration was given for requests for changes to the Agenda or for any additional executive sessions. Allen requested an addition to the Agenda to review December's KEPCo power bill during the managers' report. Chris Kelly requested to have an executive session for personnel things added.

The next order of business was review of the minutes of the regular board meeting of December 9, 2025. It was moved by Steve Warburton, seconded by Barry Speer, and unanimously carried, that the minutes be approved as mailed.

The Board then considered the new membership list. After review and on motion by Trey Clapp, second by Stephanie Ollenborger, it was unanimously carried to approve the new members as presented.

The Board then reviewed the November expenditures. It was moved by Trey Clapp, seconded by Jack Newcomb, and unanimously carried, to approve the expenses as presented.

Old accounts in the total amount of \$1,254.62 were presented for consideration. It was moved by Dan Hubert, seconded by Stephanie Ollenborger, and unanimously carried, to turn these over for collections as presented.

The Board then reviewed the Operations, Loss Control & Safety Report, including accidents, new consumers line extensions, outages, safety meeting minutes, and transportation. After review, it was moved by Dan Hubert, seconded by Barry Speer, and unanimously carried, to approve the safety meeting minutes as presented.

Discussion was held on the Kubota. Montana explained that it has been picked up and has run all week with no problems occurring.

Counsel Buck had nothing to report at this time.

Allen Zadorozny reviewed the November financial statements. The margin for November was a positive \$60,568.25. Year-to-date margin is a positive \$1,496.80. Not having a bunch of expenses from bad weather helped with the bottom line being positive. When looking at the November Long-Term Debt to Assets ratio, if consideration for the Line of Credit of \$700,000 is added in, it would be at 47.2%. The Total Margins Projected was -\$21,604 with the actual at \$60,568; which left the Total Margins \$82,172 over what was projected. The Year-to-Date Expenses Less Power Costs is under by \$11,725 compared to what was projected. Meters being billed for November was at 5,130 and we know December is slightly than that. The financial comparison shows that November of 2024 compared to November of 2025 is not that much different with 2025 being only \$5,832 less than last year. Right of Way Clearing Expenses are currently at \$327,970.79 for the year which is under the \$341,784.00 that was budgeted. Year-to-Date Operating Expenses is 3.3% more than last year, but are .26% less than projected. February had the most billed meters (5,189) where December had the least amount of meters billed (5,128) with a difference of 61 meters between them.

Allen then discussed with the board the December KEPCo power bill. He explained KEPCo received a tax settlement dealing with the Wolf Creek Nuclear Plant and divided up part of the settlement. Instead of writing a check separately they put it on the December billing as a credit. Allen has already been in contact with CPA, Kevin Kelso, about the issue this creates and asked if there was a way to account for the credit separately

from the purchase of power. The response given was there are two options to treat the credit as a reduction of the December power cost or to set up a deferred revenue plan for the credit to pull revenue out of December 2025 and push it to 2026 allowing to offset future expected power cost increase. To set up the deferred revenue plan would require both a board resolution and RUS approval. Getting the RUS approval is not a very feasible option therefore the credit will be treated as a reduction of the December power cost.

Allen then presented the loan documents and explained a copy could be made of the documents for more review at the request of the board members. Discussion was held on the RUS Loan requirements and it was noted that the Federal Rate had not dropped as much as was predicted last fall. There are eight copies to be processed and signed; with four of the mortgages to be filed in each of the following four counties: Chautauqua, Cowley, Elk and Montgomery. It was moved by Barry Speer, seconded by Trey Clapp, and unanimously carried, to accept and approve the Secretary's Certificate Resolutions as presented at the meeting.

SECRETARY'S CERTIFICATE

I, Stephanie Ollenborger, do hereby certify that: I am the secretary of The Caney Valley Electric Cooperative Association, Inc. (hereinafter called the "Corporation"), the following are true and correct copies of resolutions duly adopted by the Board of Trustees¹ of the Corporation at the regular meeting held January 13, 2026, and entered in the minute book of the Corporation and none of the following resolutions has been rescinded or modified:

RESOLUTIONS

1. RESOLVED that the Corporation borrow from the Federal Financing Bank ("FFB") an amount not to exceed \$6,283,000.00, to be guaranteed by the United States of America (the "Government"), acting through the Administrator of the Rural Utilities Service ("RUS"); and
2. RESOLVED that the corporation accept the terms and conditions which the Administrator of RUS has established for obtaining its guarantee of the FFB loan, as such terms and conditions are set forth; and
3. RESOLVED that the President is authorized on behalf of the Corporation to execute and deliver under its corporate seal, which the secretary is directed to affix and attest:
 - (a) as many counterparts respectively as shall be deemed advisable of an agreement with the Government, in the form of the RUS Loan Contract submitted to this meeting; and
 - (b) a note payable to FFB and guaranteed by RUS in the principal amount of \$6,283,000.00, substantially in the form of the FFB note submitted to this meeting; and
 - (c) the note payable to the Government, acting through the Administrator of RUS, substantially in the form of the Reimbursement Note submitted to this meeting; and
 - (d) as many counterparts as shall be deemed advisable of a Restated Mortgage and Security Agreement by and among the Borrower, the Government, National Rural Utilities Cooperative Finance Corporation and CoBank, ACB, which, among other things, pledges all of the Corporation's property to secure

notes payable to the Government in the aggregate principal amount not to exceed **\$30,000,000.00** at any one time, and a financing statement, substantially in the form of the security instruments presented to this meeting; and

4. RESOLVED that the officers of the Corporation be, and each of them is authorized in the name and on behalf of the Corporation, to execute all such instruments, make all such payments and do all such other acts as in the opinion of the officer or officers acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions; and

5. RESOLVED that [(title(s) of corporate official(s) authorized)], and any official(s) authorized to act in such corporate position(s) and to perform the functions of such position(s) [is]/[are] authorized on behalf of the Borrower (a) to execute and deliver from time to time advance requests, maturity extension election notices, prepayment election notices and refinancing election notices, in the form of such instruments attached to the note payable to FFB, and (b) to specify information and select options as provided in such instruments.

I FURTHER CERTIFY THAT each member of the Board of Trustees of the Corporation was furnished with notice of said meeting in compliance with the bylaws of the Corporation.

Caney Valley's annual meeting will be held Thursday, March 19, 2026. Discussion was held on appointing a Nominating Committee to submit names of members to run for board position #2. Current trustees in position #2 are Barry Speer, Alex Fulsom, and Dan Hubert; with Barry and Alex eligible to run again. The following members were suggested for the committee: District I – Oscar Mattocks and Clint Thompson; District II – Daryl Metcalf; District III – Ryan Hubert and Tim Hills.

Discussion was held on the by-law Article III: Trustees: Section 3: Nominations. The recommended change being from -nor more than ninety (90) days before the date of a meeting of the members at which trustees are to be elected – to nor more than one hundred twenty (120) days before the date of a meeting. As this is a by-law the change it will need to be voted on at the annual meeting in March.

Discussion was also held on the clarification of Power-of-Attorney when it comes to members at the annual meeting. If a member has a designated legal Power-of-Attorney, the designated party has the option to vote and be counted as the membership.

Allen Zadorozny reported that a member called and asked if there were options or suggestions to attack the problem of wildfires. We have a policy in place on how to charge for burned poles. The suggestion given is to have the crews work on the right-of-way areas; have them weed eat around the poles to create a break in vegetation. Barry Speer asked if we could send him photos of burned poles for him to post and for Caney Valley to contact the local fire departments. It was stated that we have an article in the newsletter about this

issue and that we can post up some reminders on our Facebook page as well. It was also stated that Caney Valley could send out a mass text message as another notification/reminder.

Co Bank Sharing Success Program was then discussed as this year's program opened on January 5th and will run until October 31st or until the funds are exhausted. The board requested a list of prior donations for review by the next meeting.

Chris Kelly reminded everyone that the KEC Winter Conference is coming up.

Dan Hubert stated that he couldn't report on the KEPCo meeting as both Allen Zadorozny and himself could not get logged in to the new system. Allen stated that a bunch of members could not access the meeting and he had talked to several other managers about it.

Discussion was held on Jack Newcomb going with Dan Hubert to the next meeting to start the transition if the board was in agreeance. It was the board consensus that Jack Newcomb will be the new KEPCo Representative for Caney Valley and that Jack should attend meetings going forward.

The following November 2025 Inventory of Work Order was presented for consideration: #625 for \$19,493.25. It was moved by Barry Speer, seconded by Jack Newcomb, and unanimously carried, to approve this Work Order as presented.

At 8:47 p.m. a motion was made by Dan Hubert, seconded by Barry Speer, and unanimously carried, to go into executive session for 15 minutes with just the Board present to discuss personnel. At 8:57 p.m. Dan Hubert made a motion, seconded by Barry Speer, and unanimously carried, to have Allen Zadorozny join the executive session and extend the session for an additional ten minutes. At 9:09 p.m. the Board returned to regular session upon motion by Dan Hubert, seconded by Barry Speer, and unanimously carried.

There being no further business to come before the Board, it was moved by Trey Clapp, and seconded by Barry Speer, and unanimously carried, to adjourn the meeting at 9:01 p.m.

ATTEST:

/s/ Chris Kelly, President

/s/ Stephanie Ollenborger, Secretary