

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF KANKAKEE VALLEY R.E.M.C.

The regular monthly meeting of the Board of Directors of Kankakee Valley Rural Electric Membership Corporation pursuant to notice, was held Tuesday, May 17th, 2022 in Wanatah, Indiana, at the headquarters office and commencing at approximately 6:35 p.m. Directors present were Mike Yankauskas, Dave Janney, Bill Bohling, Russell Guse, Katrina Harper and Chris Birky. Director, Dean Moreton, appeared remotely. CEO, Scott Sears, and Corporate Counsel, Timothy Krsak attended in-person. The meeting was called to order with Mike Yankauskas presiding as President/Chairman and these minutes of the meeting were transcribed by Secretary Bill Bohling. The following proceedings were had.

Consent Agenda

All consent agenda items were reviewed by the Board. On motion duly made and seconded, the consent agenda matters were approved and accepted by the Board, including the April 2022 Board of Directors Meeting Minutes subject to revision, bills to be paid, new members and bad debt write offs in the amount of \$904.75.

Next Meeting

The next board meeting was set for Tuesday, June 14th, 2022, at 8:00 am.

Financial Reports

The financial reports for the month ending March 2022 were presented by Scott. Total Operation and Maintenance expenses for the month were \$2,348,913.00. Year-to-date operation and maintenance expenses are \$7,632,010.00. The Net Margins for March 2022 were \$274,953.00 and annual accumulated Net Margins as of March 2022 were \$756,147.00. As of March 2022, \$10,553,709.00 in plant construction was in progress. TIER, OTIER, DSC, ODSC & MDSC at acceptable levels. Upon motion duly made and seconded, the board accepted the Financial Report.

Operations, Safety and Interruption report

Scott presented the Operations, Safety, and Interruption Report. Porter West circuit is complete. The breaker change out system improvements were completed. The Morgan east has 1 ¾ miles out of 5 miles complete. Fiber make-ready work for phase 2 is ongoing. The Morgan Substation was put into service and the Whispering Pines Substation upgrade has completed oil containment. The Porter substation transformer has been delivered and will be installed when Whispering Pines is completed. There were fifteen rotten poles replaced and twenty-three new services installed. Phase 1 of the fiber build is 99% complete with a bad spot in Kouts needing located and repaired. Phase 2 is in progress with 100% of the strand installed. Engineering is complete for Phase 3. AMI meters deployment has started. There are significant supply issues affecting our ability to get new fiber.

There were no incidents or injuries for April. The April safety meeting was on PPE and proper storage and inspection.

There were 9 significant outage events in April. There were 56 total outage events totaling 6,835 interruption minutes affecting 1,714 members for April 2022. Upon Motion duly made and seconded, the board accepted the Operations, Safety, and Interruption Report

NRECA

Dean and Scott attended the NRECA Legislative Conference in Washington D.C. on May 1st through May 3rd. Dean and Scott provided the Board with a report on the conference.

WVPA

Dave presented the current issues and matters going on at WVPA. The Gibson substation has not been operating thus resulting in market power purchases. Coal supplies should increase soon. WVPA is about \$16.2 million under collected for the year so far. The S&P rating review is soon. There is discussion to increase margins to keep "A" rating. The Highland project is tracking on time and on budget. The Speedway Solar project has increased to \$41.25/MWh and is \$7.85/MWh higher than the original price. A petition is to be filed with FERC for a 25 MW battery storage project that should reduce WVPA's fixed costs by about \$7 million annually. The WVPA Annual Meeting was held. Director Dave was recognized for five years of service to the WVPA Board.

IEC

IEC is offering 2 classes in early July.

IN FORE Corporate Donations

The IN FORE is seeking corporate donations for 2022. Upon motion duly made and seconded, the Board agreed to make a \$2,000 donation to IN FORE by majority vote. Russell voted no.

Policies

Upon changes presented to the Board for review, the following policies were modified on motion duly made and seconded:

- A. E-43: Identity Theft and Red Flag Prevention
- B. E-13: Personal Leave Policy
- C. E-14: Bereavement Leave
- D. E-15: Jury Duty and Court Appearances
- E. E-17: Holiday Leave
- F. G-15: Privacy and Confidentiality

Upon changes presented to the Board for review, the Rules and Regulations were modified on motion duly made and seconded:

Legal

Corporate Counsel provided the legal update. Depositions in the Williams matter are ongoing with three (3) party depositions remaining. The next phase will include fact and expert witness depositions and dispositive motions. Executive session was called to discuss a new litigation matter.

South County Love your Neighbor

Donations were requested for the South County Love your Neighbor fund providing Kouts, Morgan and Washington schools' students and staff with meals for their respective field days. Upon Motion duly made and seconded, the Board agreed to make a \$2,000 donation to South County Love Your Neighbor by majority vote with Chris abstaining.

CEO Report

Scott presented the CEO's report. Surf Broadband received grant money for projects in LaPorte, Starke, and St. Joseph counties. NITCO has inquired about leasing some fiber strands. LaPorte Broadband taskforce meeting was held on May 5th.

There were \$1,718,343 in plant additions for the month of March 2022 with year to date additions of \$2,616,517.

WVPA

The manager's meeting was held on April 12th. The Stations power committee meeting was held on April 22nd. The Risk oversight/power supply committee meeting was held on May 10. There was discussion pertaining to the LaPorte battery project.

IEC

The IEC property tax valuation and equalization study estimates that KVREMC saved about \$123,036 in property taxes. A UUS supply chain letter was sent out discussing the current difficulties in the US supply chain with respect to certain materials. Scott attended RESAP observer training on May 11th and May 12th. The manager's meeting was held on April 19 and a board meeting was held on April 20th.

There was discussion relating to the CFC Integrity Fund. The Board had approved a continuing donation of 5% of the total patronage due to KVREMC from CFC. Upon suggestion from Corporate Counsel, the ongoing donation should be reviewed on a yearly basis. Scott to obtain figures regarding the donations made and fund usage and report to the Board next month.

Mammoth Solar phase 1 construction has begun. Phase 2 is in design. Awaiting response to request to the consulting engineering firm for site plans for the Hoosier Solar project. Dunn's Bridge project had a conference call to discuss impact in Starke County. File received from plan developer.

A STAR meeting was held on April 29th at the Fulton County REMC and included a tour of their solar/battery project.

Member engagement includes a Drive Clean Indiana webinar on May 5th, Touch A Truck in Winfield on May 21 and Valparaiso June 12th, the Youth Tour/Camp Kilowatt pizza party on May 17th, and Ride the Wall parade on May 25th. EV Test drives to resume in July. Cooperative Calendar of Art winner was Bailey Hering a Union Mills 9th grader. Upon Motion duly made and seconded, the Board agreed to make a \$1,000 donation to Starke Tank by majority vote.

Job posting for the field engineer has been accepted pending background checks. Jacob Bailey submitted his resignation. Job posting for meter department vacancy. Employee and spouse health screenings to occur on May 20th.

The tentative list of annual meeting vendors is AgTechnologies (solar), Gustafson AG Electrical Service (whole house generators) and EV Vehicles.

Corporate Counsel to develop an Engineering Application to include a fee for new service requests.

Old Business/New Business

None. On motion duly made and seconded the meeting was adjourned at 9:30 p.m.



Bill Bohling, Secretary/Treasurer



Mike Yankauskas, Chairman

Date Approved: JUNE 14, 2022