

CHARITON VALLEY ELECTRIC COOPERATIVE

REGULAR MONTHLY BOARD MEETING

March 25, 2021

A meeting of the Chariton Valley Electric Cooperative, Inc. (CVEC) Board of Directors was called to order at the Cooperative office in Albia, Iowa, on March 25, 2021, at 6:01 p.m. by President Kenny VandenBerg.

Secretary Norm Major reported 8 directors were present as the seat for District 1 remains vacant. Others in attendance included CEO/General Manager Leilani Todd, Finance Manager Trudy Grade, Operations Manager Carson Hodge, Economic Development & Member Services Manager Tod Faris and Executive Assistant Anna Kerber.

Agenda

A motion was made, seconded and carried to accept the final agenda as presented.

Minutes

A motion was made, seconded and carried to approve the minutes of the February 25, 2021, regular business meeting of the Board of Directors.

Executive Session – Special Guest Doug Aeilts

The Board entered an executive session at 6:03 p.m. where Doug Aeilts from NEP joined the board virtually to discuss February's polar vortex and its impact on AECl's and NEP's systems. The Board returned to regular session at 6:53 p.m.

New Members

The list of applications for cooperative membership was presented to the Board for the month of February 2021. A motion was made, seconded and carried to affix the cooperative seal on all membership applications for the month.

SEE ATTACHED MEMBER LIST

Safety Report

CEO/General Manager Leilani Todd reported there were no safety incidents in the month of February 2021. A motion was made, seconded and carried by the Board to accept the February 2021 Safety Report as information.

Strategic Plan 2021

CEO/General Manager Leilani Todd presented a 2021 strategic plan presentation highlighting the issues addressed during the recent planning session. In the presentation, seven strategic priorities were outlined along with objectives to be achieved with key initiatives identified. Upon a motion made, seconded and carried the Board approved the 2021 Strategic Plan as presented. CVEC's leadership team will develop a detailed execution plan by August identifying the necessary steps to achieve the goals, objectives and key initiatives and how progress will be measured overall. The plan will be monitored by the Board and reported on each quarter by CVEC staff.

Annual Meeting 2021

Staff presented three format options for the 2021 Annual Meeting (in person, drive-thru & virtual) as well as the pros and cons for each option. After evaluating the options, working with legal and keeping

the best interest of the cooperative in mind, staff recommended the 2021 Annual Meeting be held virtually. A motion was made, seconded and carried by the Board to move forward using a virtual format for the 2021 Annual Meeting to enhance the safety and wellbeing of CVEC's members.

NEP Financial Options addressing 2021 Polar Vortex

CVEC staff provided the Board with information regarding NEP's proposed rate increase and how it would impact the cooperative over the next four years. Upon review of the information and NEP's options, the Board provided a consensus to CVEC's NEP Director Representatives to vote for Option A at the upcoming NEP monthly board meeting. By choosing Option A, CVEC's margins will be reduced; however, CVEC will be able to absorb the elimination of the discount and maintain budgeted margins delaying a rate increase.

Financial Report

Finance Manager Trudy Grade presented the cooperative's financials for February 2021. A motion was made, seconded and carried to accept all financials as presented.

Finance Manager Trudy Grade opened the floor for questions regarding her department written report. There were no questions to come from the Board.

2020 RUS Form 7

A motion was made, seconded and carried to approve the annually required 2020 RUS Form 7 as presented.

Operation Report

Operations Manager Carson Hodge opened the floor for questions regarding his department written report for March. Updates were given regarding CVEC's trucks, the new digger truck and the Access Energy warehouse tour. There were no further questions to come before the Board.

Annual Reliability Report

Pursuant to the Iowa Administrative Code 199-20.18(8)"b," CVEC must file its 2020 Reliability Report by April 1, 2021. The Board motioned to approve the reliability report as prepared. The motion was seconded and carried.

Board Resolution – Combined Reliability Plan, Inspection and Maintenance Plan, Meter Testing Plan

An updated Reliability Plan, Inspection and Maintenance Plan, and Meter testing Plan and the Reliability Report was presented to the Board for approval. A motion was made, seconded and carried to approve the updated plans and report as presented.

SEE ATTACHED RESOLUTION

Economic Development & Member Services Report

Economic Development & Member Services Manager Tod Faris opened the floor for questions regarding his department written report for March. A discussion was held regarding CVEC's legislative efforts and an update was given on Camp 365. There were no further questions to come before the Board.

A motion was made, seconded and carried to place Randy on the Loan Review Committee as an additional member, pending approval from the USDA and CVEC policy.

Break

The Board recessed for a short break at 8:44 p.m., returning to session at 8:49 p.m.

Attorney's Report

No written report submitted

CEO/General Manager's Report

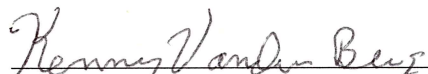
CEO/General Manager Leilani Todd provided an update to her written report including the recent passing of former CVEC employee Linda Chance, a brief update on the attorneys work for CVEC this past month and a NEP update on the Moravia tap. She also made note of the new additions to the board packet, highlighting member communications and sharing outreach efforts. CVEC will continue to expand the information shared in this section. The floor was opened for questions regarding her written report for the month of March. There were no questions to come before the Board.

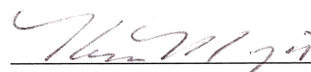
Director Reports for Affiliated Organizations

Directors in attendance at the NEP, IAEC and Iowa Institute of Cooperative's board meetings gave their monthly reports.

Adjournment

As there was no further business to come before the Board, the meeting adjourned at 9:22 p.m., with the next regular business meeting scheduled for April 22, 2021 at 6:00 p.m.


Kenny VandenBerg, President


Norm Major, Secretary