

CHARITON VALLEY ELECTRIC COOPERATIVE
REGULAR MONTHLY BOARD MEETING
FEBRUARY 27, 2023

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 February 27, 2023, at 5:00 p.m. by President Michael Miller.

Secretary Norm Major reported all directors were present in person. Other attendees included Acting General Manager Troy Amoss; Finance Manager Trudy Grade; Economic Development & Community Relations Manager Tod Faris; and Human Resources/Executive Administrative Coordinator Ashley Tratchel. A special guest participating in a portion of the meeting was Chris Perrine of Federated Rural Electric Insurance Exchange. The Cooperative's attorney Dennis Puckett participated remotely by video conference.

Consent Agenda

A motion was made, seconded and carried to accept the consent agenda items as follows: the agenda; the January 24, 2023, regular business meeting minutes; and the January 2023 New and Disconnected Member Lists.

SEE ATTACHED MEMBER LIST

Guest Presentation

Federated Rural Electric Insurance Exchange representative Chris Perrine was introduced. It was noted that the Risk Management Committee had met prior to the meeting and reviewed the Cooperative's existing insurance coverages and available options for renewal. Chris Perrine provided information about Federated and discussed the insurance coverage options and renewals. Following the presentation, Chris Perrine left the meeting.

Management/ Staff / Department Written Reports

The board packet included written reports from various departments and the same were reviewed and discussed as follows:

(a) Operations

The Operations report included information about outages, construction and maintenance work, and general department updates. Troy Amoss offered to answer any questions concerning the report. Director Major thanked Troy for including the maps. It was noted that weather had been difficult for maintenance and construction work. A discussion followed concerning employee work, and inventory and supply chain issues.

(b) Economic Development

Tod Faris provided information concerning economic development activities. He noted that the loan review committee had recommended approval of submitting an application for a REDL pass-

through loan for the Monroe County Hospital in the amount of \$2 million, as well as a \$300,000 RLF grant application. If approved, the loan and grant, along with the Cooperative's 20% match of the grant in the amount of \$60,000, would be utilized to loan a total of \$2,360,000 to the hospital for installation of a permanent MRI machine and other hospital improvements. It was noted that Northeast Power was also making similar applications. The total loans between the two entities would be \$4,720,000. Following discussion, a motion was made, seconded and unanimously carried to approve submission of the applications to USDA.

SEE ATTACHED RESOLUTIONS

(c) Communications

A report concerning member communications and engagement was included in the board packet. In the absence of Anna See, Troy Amoss offered to answer any questions and there were none.

(d) Human Resources

A written report on Human Resources was included in the board packet with information given regarding employee training and director training opportunities. Ashley Tratchel noted that the Cooperative had decided not to pursue additional shared services with Tri-County Electric for communications. She noted that options for the Annual meeting will be presented at the next meeting. She also noted that the Northeast Power Annual meeting is scheduled for March 29, 2023, and she inquired about who would be attending.

(e) Information Technology

The board packet included an update on IT related matters from Nathan Norton. There were no questions on the report.

(f) Safety

The board packet included a safety report. A safety meeting was held on January 18. The IAEC facilitated the meeting, and several topics were discussed as reflected in the report. A motion was made, seconded and carried to accept the January 2023 Safety Report and Statistics information that was included in the board packet.

Attorney's Report

Attorney Puckett provided a verbal report concerning matters he was handling on behalf of the Cooperative or that would impact the Cooperative. He noted that additional information would also be provided during executive session.

Finance Report

Finance Manager Trudy Grade presented the Financial Report included in the board packet. The report included a list of December 2022 activities, financial ratios as of December 31, 2022, a comparison of revenue and expense items for the month compared to budget, a listing of January activities, financial information for January, financial statements, the financial and statistical report, the check register for January, the credit card statements, various charts, a listing of capital additions, and other materials. Trudy Grade offered to answer any questions concerning the report. She noted the Cooperative financial ratios for 2022 satisfied the RUS requirements. The CFC minimum MDCS was not achieved; but that is required to be met in 2 of 3 years. The rate increase to be presented at next month's meeting should generate sufficient revenue to allow the

Cooperative to meet the MDSC requirement in 2023. Toth and Associates will be assisting with the proposal on rates. It was noted the revenues for January were under budget due to the delay in getting the rate increase implemented; however, Northeast Power has not implemented its rate increase either, which has reduced expenses. The line of credit has been accessed while the Cooperative waits on RUS to approve a draw on the construction work plan loan. Following discussion, a motion was made, seconded and carried to approve the financial reports as presented.

A motion was also made, seconded and carried to approve the Cooperative's credit card and CEO/GM expenses for the month of January.

Bank Account Authorizations

It was noted that due to former CEO/General Manager Leilani Todd's resignation, it would be appropriate to make modifications to the persons authorized to transact business with the banks where the Cooperative has accounts. Following discussion, a motion was duly made, seconded and carried to adopt the resolutions as presented.

SEE ATTACHED RESOLUTIONS

CoBank Incumbency Certificate

Finance Manager Trudy Grade requested a new CoBank Incumbency Certificate be signed to update the names of the cooperative's current officers/titles and key management positions.

SEE ATTACHED CERTIFICATE

RUS & CFC Authorizations

It was noted that former CEO/General Manager Leilani Todd was authorized to execute various forms with RUS and CFC. Following discussion, a motion was duly made, seconded and carried to remove Leilani Todd as an authorized officer to sign any documents or take any actions with respect to the Cooperative's filings, reports, and loans with RUS and CFC and substitute in her place Troy Amoss.

SEE ATTACHED RESOLUTIONS & CERTIFICATES

March 16, 2023, Board Meeting

It was noted that the March board meeting had previously been scheduled for March 16, 2023. Due to conflicts, it was suggested the meeting date be changed. Following discussion, a motion was made, seconded and carried to move the meeting to March 23, 2023, at 1:00 p.m.

Executive Session

The Chairman recessed the meeting into executive session. The board members and attorney Puckett participated in the executive session. The executive session ended and the meeting resumed in regular session at 6:20 p.m. Interim General Manager Troy Amoss returned to the meeting.

Board Policy #4

It was noted that the policy committee had begun review of various policies and it was noted that Board Policy #4 should be corrected to include the current Director per diem amount. This change can be made without Board action since it is just a correction and not a change.

Old or Unfinished Business

A discussion was held concerning the recent Director Update meeting: the capitol visits on February 22, 2023; the REC Day on the Hill scheduled for March 15, 2023; the NRECA Legislative Conference; and the NRECA Power Exchange conference.

New Business

- a) Director Expense Report The Board Expense Report was reviewed. Following review, a motion was made, seconded and carried to approve the report as presented to this meeting.
- b) Governance Committee It was noted the Governance Committee will no longer meet prior to the March board meeting and the policy review will be deferred.

Committee Reports

- a) Loan Review Committee As reported earlier in the meeting, the Loan Review Committee met and approved proceeding to apply for loans for the Monroe County Hospital.
- b) Risk Management Committee It was noted the risk management committee met prior to the meeting. Mike Miller reported on the meeting. The renewal date for the Cooperative's insurance is July 1, 2023.

Northeast Power Report

Richard Welsh and Mike Miller reported on activity at Northeast Power. It was reported that Northeast Power is experiencing difficulties getting its new gas plants permitted and transmission lines approved.

IAEC Report

The board packet included a written report concerning the IAEC activities and Director VandenBerg offered to answer any questions on the report.

Open Discussion Items

Chairman Miller asked if there were other items to discuss and a discussion followed concerning new large loads, rate structure, and risks.

Calendar of Events

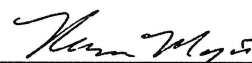
The board packet included a calendar of events and the same was reviewed.

Adjournment

As there was no further business to come before the board, a motion was duly made, seconded and carried to adjourn the meeting at 6:50 p.m.



Michael Miller, President



Norm Major, Secretary