

CHARITON VALLEY ELECTRIC COOPERATIVE  
REGULAR MONTHLY BOARD MEETING  
MAY 30, 2024

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 May 30, 2024, at 1:02 p.m. by President Kenny VandenBerg.

Secretary Norm Major reported all directors were present. Other attendees included General Manager Troy Amoss; Finance Manager Trudy Grade; Communications Coordinator/Executive Assistant Anna See; Economic Development/Community Relations Manager Tod Faris; Human Resource Coordinator/Administrative Assistant Ashley Tratchel; and Line Superintendent Jared Shaw. The cooperative's attorney Dennis L. 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 April 25, 2024 regular business meeting minutes; and the April 2024 New Member List.

SEE ATTACHED MEMBER LIST

Human Resources Report

Ashley Tratchel, Human Resource Coordinator/Administrative Assistant, reported on employee related matters. Ashley noted that she had attended the Iowa Association of Electric Cooperative's HR conference held May 8-9, 2024. She also indicated that an audit of the cooperative's compliance with the Department of Transportation (DOT) requirements is being arranged. Following her presentation, Ashley left the meeting.

Operations Report

At this time, Line Superintendent Jared Shaw presented the Operations Report. He reported on the work being done by the crews. He noted mutual aid was provided to Southwest Iowa REC in Corning, Iowa following recent storms and additional mutual aid was provided to Carroll Electric Cooperative in Huntsville, Arkansas. He also reviewed the outage report and offered to answer any questions concerning the written report that was included in the board packet. Following his report, Jared Shaw left the meeting.

Safety Report

The board packet included a safety report. A motion was made, seconded, and carried to accept the April 2024 Safety Report and the statistics information that was included in the board packet.

Economic Development and Community Relations Report

Tod Faris, Economic Development/Community Relations Manager, reported that Golf22 had paid its economic development loan in full. He reported on the status of the Sedes Group, LLC pass-through loan and indicated that an additional extension of time to close the loan is being requested. The initial 6-month extension expires this month. The United States Department of Agriculture (USDA) has indicated they would extend through the end of the year. Tod Faris suggested extending it through December 15, 2024. He also noted the borrower had requested the loan be

secured by treasury securities or CD's rather than an irrevocable letter of credit. The consensus of the board was to pursue the requested extension.

#### Kaster Fabrication RLF Loan

Tod Faris reported on an application for a \$65,000 RLF loan by Kaster Fabrication, LLC. The company has an existing loan, secured by a lien on equipment purchased with the proceeds of said loan. The proposed new loan would be used to purchase an Ocean Avenger Drill Line. The collateral would be a lien on the equipment. The cooperative could obtain a 1<sup>st</sup> lien on the new equipment being acquired and a second position blanket lien on other equipment. The term would be for 10 years. Questions were asked about the collateral, cash flow, and other loan terms. Following discussion, a motion was made, seconded and carried to approve a \$65,000 loan, for a 10-year term, with interest accruing at the rate of 4.684% and a 1% admin fee, and a \$500 closing fee. The collateral would be a lien on the equipment as discussed. Following action on the loan request, Tod Faris left the meeting.

SEE ATTACHED RESOLUTION

#### Member Communications and Engagement Report

The board packet included a written report from Anna See, Communications Coordinator/Executive Assistant. Anna offered to answer any questions about her written report. She also noted that Northeast Power was hosting NRECA course 960.1 – Value of the Generation, Transmission and Distribution Relationship on July 1, 2024 at Access Energy. Those interested in attending will need to let Anna know. She also reminded directors of the need to designate tellers for the annual meeting.

#### IT/Cyber Security Report

The board packet included a written report from Network Administrator Nathan Norton on IT updates. General Manager Amoss asked if there were any questions and there were none.

#### Finance Report

Finance Manager Trudy Grade presented the financial report, including the following items:

- a) Financial Statements – The board packet included April 2024 financial activities and statements, and the same were reviewed by Trudy. She noted there was a loss of about \$83,000 in April, which is not uncommon for the shoulder months. Trudy reviewed significant activity for the month, including that equity had dropped to 34.75%. The work plan summary was also reviewed, and it reflected \$2 million being advanced on the RUS/FFB loan in April to cover the cost of completed projects. The check register was reviewed, beginning with check number 59590 and continuing through check number 59649. The ACH transactions were also reviewed. A motion was made, seconded and carried to approve the April 2024 Financial Statements as presented.
- b) Margin Allocations – Trudy Grade reviewed the historical margin allocations. She noted the amount being allocated to the contingency reserve has historically been capped at 10% of plant and counsel has advised that the cooperative could elect to increase this amount to 15% of plant. A resolution providing for the allocation of 2023 margins to contingency

reserve, statutory surplus, the education fund, and the members was reviewed. A motion was made, seconded and carried to approve the resolution as presented.

#### SEE ATTACHED RESOLUTION

- c) 2024 Patronage Retirement – Trudy Grade then reviewed the amount of unretired patronage allocations by year. The finance department proposed the retirement of 100% of the remaining patronage accrued for the year 2010 in the amount of \$106,266.96 and 64% of year 2011 in the amount of \$143,733.04, for a total retirement of \$250,000. It was also suggested to increase the minimum check amount to \$50 for physical mail delivery. Following discussion, a motion was made, seconded and carried to approve the patronage retirement as proposed.
- d) Credit Cards – The credit card expenses were reviewed. A motion was made, seconded and carried to approve the cooperative’s credit card and CEO/GM expenses for the month of April.

Following her presentation, Trudy left the meeting.

#### CEO/General Manager Report

CEO/General Manager Troy Amoss presented his report to the board. He noted the Rise Broadband sublease was complete. In exchange for CVEC consenting to the sublease, the cooperative has been provided access to Rise Broadband fiber. Troy stated the tariff update was in its final stages of review. He also indicated that a revised union contract had been sent to the Union, incorporating the tentative agreement reached with the Union; but it had not yet been executed. The board discussed the vacant lot owned by the cooperative in Albia just north of the underpass. Troy discussed that he had explored ways to decrease the taxes on the property, with no avail. The consensus of the board is to do nothing with the property at this time. Other topics covered by Troy included the new summer intern, a water leak issue, volunteer work done, mutual aid for storm recovery, and Camp 365 requesting electricity to be turned back on.

#### Old or Unfinished Business

The Chairman asked for any old or unfinished business and there was none.

#### 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.

#### Executive Session

At 2:44 p.m. the Chairman recessed the meeting into executive session, with all board members, CEO Amoss, and Attorney Puckett participating in the executive session. The executive session adjourned, and the meeting resumed in regular session at 3:21 p.m., with all those present as were present during the executive session, with Anna See rejoining the meeting.

Northeast Power Report

A report on activities at Northeast Power was provided by the Northeast Power director representatives Richard Welsh and Norm Major. It was noted the board was asking questions about various costs, including the use of a private plane. It was noted that Norm Major was nominated for a 6-year term to be Northeast Power's representative at the Iowa Area Development Group, replacing Marvin Newton.

Associated Electric's Annual Meeting

Those attending Associated Electric's Annual Meeting reported on said meeting and commented on the presenters.

Iowa Association of Electric Cooperatives Report

The board packet included a written report concerning the Iowa Association of Electric Cooperative's (IAEC) board meeting held April 30, 2024. Director Vandenberg also reported on the meeting held May 29, 2024. Changes to the work being done on the international project were discussed. The Department of Energy grant for \$3 million was noted. Director Vandenberg also noted that plans are being made to hold government relation committee meetings across the state, with a meeting at Southern Iowa Electric scheduled for June 11<sup>th</sup>. Director Vandenberg also provided an update on IAEC's CEO search.

Iowa Institute for Cooperatives

Director Vandenberg noted the next meeting for the Iowa Institute for Cooperatives will be June 14, 2024, at which time they will interview search firms.

Discussion Items

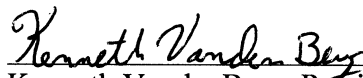
Discussion items included CVEC's Annual meeting plans.

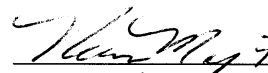
Meeting Dates

Chairman Vandenberg noted the calendar of events that was included in the board packet. The next board meeting will be held June 25, 2024, commencing at 1:00 p.m. The IAEC District 1&2 Meeting will be held in Coralville on August 9, 2024. The regular September board meeting was moved to September 23, 2024 at 1:00 p.m.

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 3:45 p.m.

  
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 Kenneth Vandenberg, President

  
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 Norm Major, Secretary