

CHARITON VALLEY ELECTRIC COOPERATIVE  
REGULAR MONTHLY BOARD MEETING  
OCTOBER 21, 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 October 21, 2024, at 1:00 p.m. by President Kenny VandenBerg.

Secretary Norm Major reported all directors were present in person. Other attendees included General Manager Troy Amoss; Finance Manager Trudy Grade; Communications Coordinator/Executive Assistant Anna See; Human Resource Coordinator/Administrative Assistant Ashley Tratchel; Network Administrator Nathan Norton, and Line Superintendent Jared Shaw. Attorney Dennis L. Puckett of Sullivan & Ward, P.C. participated remotely.

Guest Presentation

Leslie Kaufman, Executive Vice President and General Manager of the Iowa Association of Electric Cooperatives (IAEC) joined the meeting to introduce herself and share an update on IAEC's services. She highlighted her activities during her first 90 days in the position and emphasized that safety remains the Association's top priority. She also noted IAEC's efforts to cross-train employees, aiming to enhance flexibility and support employee development. Leslie welcomed any questions from the board regarding the Association.

Consent Agenda

The consent agenda items were reviewed, with a suggestion to move Nathan Norton's presentation earlier on the agenda due to a scheduling conflict. A motion was made, seconded, and carried to approve the consent agenda items, including the amended agenda, the September 23, 2024, regular business meeting minutes, and the September 2024 New Member List.

SEE ATTACHED MEMBER LIST

IT/Cyber Security Report

The board packet included a written report from Network Administrator Nathan Norton on recent IT updates. Nathan invited questions and presented additional information regarding cloud storage and access capabilities. He also discussed the Department of Energy (DOE) grant on cybersecurity, for which the IAEC has applied. Following his presentation, Nathan left the meeting.

Human Resources Report

Ashley Tratchel, Human Resources Coordinator/Administrative Assistant, provided an update on employee matters. She noted that staff members have been actively participating in recent IAEC conferences. She reported that employee hearing tests were completed last week in collaboration with Van Buren Hospital. Ashley also updated the board on modifications to the employee handbook. Annual benefits enrollment has been completed for union employees, with enrollment for other employees scheduled for next week. Additionally, she provided an update on energy efficiency rebates. Following her presentation, Ashley left the meeting.

Operations Report

Line Superintendent Jared Shaw presented the Operations Report. He acknowledged the crews

who provided mutual aid for hurricane recovery efforts and shared updates on construction projects and new builds. The board packet included a written report, which also detailed outage information for September. Jared offered to answer any questions regarding his report.

### Safety Report

The board reviewed the safety report included in the board packet. A motion was made, seconded, and carried to approve the September 2024 Safety Report along with the accompanying statistics.

Following the safety report, Jared Shaw left the meeting.

### Member Communications and Engagement Report

The board packet included a written report from Anna See, Communications Coordinator/Executive Assistant, who offered to answer any questions. Anna noted that she registered directors for the NRECA training held in conjunction with the IAEC Annual Meeting, as well as those attending the Annual Meeting itself.

She highlighted that CVEC has two youth participating in the IAEC Youth Leadership Academy. Additionally, the cooperative's "Fill the Bucket" food drive is scheduled for November 16, 2024, and the cooperative will participate in Salvation Army bell ringing on December 20, 2024.

Employees were surveyed regarding the company Christmas party, which is scheduled for December 13 at the Albia Country Club. Anna updated the board on Operation Round Up efforts, noting that 31 additional members opted back into the program through the cooperative's office initiative prior to sending out the postcards. A list of non-participating members was also distributed to encourage board members to help promote participation.

Operation Round Up's Q3 donations include \$1,500 to the Appanoose County Lord's Cupboard and \$2,600 to the Albia School District for two new washer and dryer units. Additionally, an update on director's education and training was provided.

### Finance Report

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

- a) Financial Statements – The board packet included the financial activities and statements for September 2024, which Trudy reviewed. She noted a loss of approximately \$6,300 for September, with year-to-date margins about 17% below budget. A question was raised about the projected year-end results. The balance sheet was reviewed, and Trudy confirmed that all financial ratios are being maintained above the loan covenant requirements.

The statement of cash flows was also reviewed, with Trudy highlighting sales from Purple Wave. The check register (checks 59904 through 59973) was discussed, with a question raised about check 59925, which was for Joe Glenn's Tree Service, a company that provided training to the cooperative's Operations Department. Another question concerned check 59941, which was for the repair of a member's hay equipment.

The status of RLF loans was reviewed, including the proposed pass-through loan to SEDE, which has been extended until December 15, 2024. A question was asked about the

cooperative's meters and the potential need for replacement. It was noted that these meters are being depreciated more quickly due to their faster obsolescence compared to the past.

Following full discussion, a motion was made, seconded and carried to approve the September 2024 financial statements as presented.

- b) Credit Cards – The credit card expenses for the month of September were reviewed. A motion was made, seconded and carried to approve the Cooperative's credit card and CEO/GM expenses for September.
- c) Auditor Engagement Letter – The engagement letter from the auditor, Forvis Mazars, LLP, was included in the board packet. The letter indicated a 9% increase in the audit fee for this year. A motion was made, seconded and carried to approve the audit engagement letter and authorize its signature on behalf of the Cooperative.
- d) Capital Plant Additions Update – The board packet included an update on capital expenditures for plant additions through September 30, 2024. Approximately \$888,000 has been spent of the \$2 million budget.
- e) Community Contributions – The community contributions for the third quarter of 2024 were reviewed.

Following her presentation, Trudy left the meeting and Lesli Kaufman also left the meeting.

#### CEO/General Manager Report

CEO/General Manager Troy Amoss presented his report to the board, which included an update on the Albia School solar project, owned by Red Lion Solar. The third-party ownership arrangement is causing challenges for the school's ability to sell excess output to the Cooperative. Troy discussed his communications with both the school and the third-party owner regarding this issue.

He also reported that a rate increase for 2025 is projected, although he is still awaiting final rates from Northeast Power. A discussion followed regarding pole attachments, economic development, and line extension policies.

Additionally, Troy mentioned that the fence on the south side of the property has been installed, as required by Federated. Troy offered to answer any questions related to his report.

#### 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. After discussion, a motion was made, seconded and carried to approve the report as presented.

#### Executive Session

At this time, the Chairman asked if there was a need for an executive session and there was none.

Legal Report

Attorney Puckett presented his legal report to the board and offered to answer any questions regarding the written report. He provided updates on several topics, including the Camp 365 litigation, the Iowa Utilities Commission winter preparedness meeting, and the ROFR legislation. Additionally, he shared further information on third-party owned solar and pole attachments.

Director Reports

Directors provided updates on Northeast Power, the IAEC, and the Iowa Institute for Cooperatives. Northeast Power is currently working on its budget, and rates will be reviewed next week. A summary from the October 7, 2024, board meeting was included in the board packet. Directors who attended the Tri-State Development Summit shared their insights from the meeting. The IAEC board report was also included in the board packet.

The Iowa Institute for Cooperatives will meet next on November 25<sup>th</sup>, with its Annual Meeting scheduled for November 26<sup>th</sup>. Bobby Martins, a former professor at Iowa State University, has been hired as the Institute’s new Executive Director.

Discussion Items

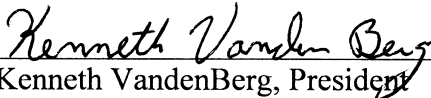
Director VandenBerg asked if there were any discussion items. It was noted that, instead of distributing turkeys and hams this year, employees and board members will receive gift cards to a local grocery store.

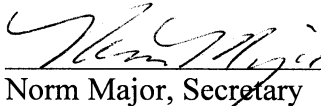
Meeting Dates/Calendar of Events

Chairman VandenBerg noted the calendar of events included in the board packet. The next board meeting is scheduled for November 22, 2024, at 1:00 p.m. A discussion was held regarding the January meeting, and it was scheduled for January 29, 2025. The March meeting is set for March 31, 2025.

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 3:52 p.m.

  
Kenneth VandenBerg, President

  
Norm Major, Secretary