

CHARITON VALLEY ELECTRIC COOPERATIVE
REGULAR MONTHLY BOARD MEETING
MAY 22, 2025

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 22, 2025, at 1:00 p.m., by President Kenny VandenBerg.

Secretary Norm Major reported all directors were present in person, with the exception of Marchelle Brown, who was absent. Also in attendance were General Manager Troy Amoss, Finance Manager Trudy Grade, Human Resources Coordinator/Administrative Assistant Ashley Duley, Line Superintendent Jared Shaw and Communications Coordinator/Executive Assistant Anna See. Attorney Dennis L. Puckett of Sullivan & Ward, P.C. participated remotely.

The meeting began with the Pledge of Allegiance.

Consent Agenda

The Board reviewed the items included in the consent agenda. A motion was made, seconded and carried to approve the meeting agenda, the minutes of the regular board meeting held on April 24, 2025, and the New member List for April 2025.

SEE ATTACHED MEMBER LIST

Human Resources Report

The board packet included a Human Resources report. Human Resources Coordinator/Administrative Assistant Ashley Duley offered to answer any questions regarding the report. She noted that April was another slow month for rebates, with seven members applying for a total of ten rebates.

Ashley reported that Associated and Northeast Power would be implementing changes to their rebate programs effective July 1, 2025. Specifically, Associated and Northeast Power will be eliminating their rebates on electric water heaters; however, CVEC will continue to offer its own rebate of \$100. In addition, the EV charging rebate provided by Associated will also be ending December 31, 2025.

It was further reported that two new summer interns had been hired. Ethan Stalzer was hired to assist in the accounting department, and Grant Powers was hired to work with the outside crews.

Operations Report

Line Superintendent Jared Shaw presented the Operations Report. He noted the Cooperative was currently working on pole and maintenance projects in both the Trail Substation area and the Honey Creek Substation area. He also addressed a question regarding the inspections required prior to energizing a new home.

Jared reported the Cooperative's vegetation management contractor is actively trimming in the Trail Substation area, including within the city limits of Albia. Crews have remained busy with several new builds and line extensions.

During the month of April, there were 12 unplanned outages that affected a total of 160 members. In addition, there were some planned outages related to ongoing maintenance and construction efforts.

Safety Report

The Board reviewed the Safety Report and accompanying statistics included in the board packet. Following review, a motion was made, seconded and carried to accept the April 2025 Safety Report as presented.

Member Communications and Engagement Report

The board packet included a written report from Anna See, Communications Coordinator/Executive Assistant. Anna noted the Associated Annual Meeting is scheduled for June 23-25, 2025. She also reported that Chariton Valley Electric Cooperative's annual meeting will be held August 4, 2025, at the Cooperative's headquarters in Albia. This year's theme will be *"Focused on What Matters: Service, Community, Sustainability."*

Anna shared the Shine the Light Contest, which recognizes outstanding local volunteers, will be accepting nominations throughout the month of June. She also reported that Operation Round Up received \$1,977.20 in contributions during April. A recent grant to the Russell Volunteer Fire Department was highlighted in the report.

IT/Cyber Security Report

The packet included a report prepared by the IT/Cybersecurity staff. General Manager Amoss asked if there were any questions regarding the report, and there were none. The Cooperative's Operations Risk Score was reported as 12.9, which is considered good.

Finance Report

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

- a) Financial Statements – April 2025 – Trudy reviewed the April 2025 financial statements and year-to-date reports. She noted that April resulted in a loss of approximately \$202,000, which is typical due to seasonal weather patterns. Year-to-date revenues were about 0.10% lower than budgeted, but approximately 4.3% higher than the prior year. A non-operating loss was recognized due to the retirement of old Truck #10. Trudy also reviewed the work plan summary, reporting that all \$8 million in the 2020-2024 Work Plan had been completed. The final \$2 million in funds has been requested for advancement. Additionally, a \$600,000 advance was made as a line of credit in May.

A question was asked regarding member delinquencies and the winter moratorium. General Manager Troy Amoss addressed the Cooperative's collection efforts in response. The Board also reviewed the checks and disbursements for the period, covering check numbers 60313 through 60354. Following discussion, a motion was duly made, seconded and carried to approve the financial reports as presented.

- b) Credit Cards – The Board reviewed the Cooperative's credit card expenses, including those of the CEO/General Manager, for the month of April 2025. A motion was made, seconded and carried to approve the credit card expenses as presented.

- c) Margin Allocations – Trudy reviewed the staff's recommendation for allocating the \$1,182,515.25 in margins for 2024. She discussed the applicable requirements of Iowa Code 499.30, as well as the Cooperative's Articles of Incorporation and Bylaws. It was noted the Cooperative will begin working toward placing 15% of margins into reserves. The reserve balance currently stands at slightly over 10%. Following discussion, a motion was duly made, seconded and carried to approve the resolution as presented.

SEE ATTACHED RESOLUTION

- d) Patronage Retirement – The Board discussed the Cooperative's current patronage on the books and related cash flow considerations. Staff recommended retiring 100% of the remaining balance of the 2011 patronage and 72% of the 2012 patronage, totaling \$250,000. It was noted the minimum check amount for patronage refunds is being raised from \$50 to \$75 this year. Any amount less than \$75 will be applied as a credit to the member's active electric account. Following discussion, a motion was duly made, seconded and carried to approve the retirement of margins in the amount of \$250,000 as recommended by staff.

CEO/General Manager Report

CEO/General Manager Troy Amoss presented his report on activities for April 2025. He noted that the selection of the summer interns had been completed by staff. He reviewed recent donation efforts and reported the Cooperative would be receiving a discount from its billing vendor as a result of a processing error that occurred in a prior month.

New Truck #10 is now in service. Federated Insurance completed an operations visit and provided a favorable report; however, insurance premiums are still set to increase by 11%. It was recommended the Cooperative adopt a wildfire mitigation plan, which could potentially help reduce future insurance costs.

Staff from the Iowa Utilities Commission also conducted an inspection visit. General Manager Amoss provided an update from the Northeast Power manager's meeting held in Macon. He noted that Toth Engineering is currently developing the new construction work plan and will also be evaluating pole attachments.

The Cooperative received a \$6,000 invoice from NRECA for a compensation study completed in 2022. Although research confirms the study was completed, management questioned the delay in billing, and the fee was subsequently dropped.

General Manager Amoss also discussed his ongoing evaluation of options for replacing Truck #2. He noted that a number of children's books have been ordered for use in future safety presentations. Lastly, he reported on an issue with a circuit breaker near the headquarters, which appears to have been malfunctioning since 2011.

The Cooperative currently has 26,102 poles in service. Of those, 2,913 were tested over the past year, and 136 were rejected.

At this time, Ashley Duley, Trudy Grade and Jared Shaw left the meeting.

Old or Unfinished Business

The Chairman asked if there was any old or unfinished business to discuss. There was none.

New Business

- a) Director Expense Report – The Board reviewed the Director Expense Report. Following discussion, a motion was made, seconded and carried to approve the report as presented.
- b) Annual Meeting Teller Nominations – The following directors up for election each submitted two names to serve as tellers at this year's Annual Meeting.
 - Marchelle Brown: Tava Hoffman, Susan Spencer
 - Jerry Durian: Gina Crall, Deb Zaputil
 - Kenny VandenBerg: Becky DeTar, Vicki Gardner

Executive Session

At this time, the Chairman asked if there was any need to recess into executive session. There was none.

Attorney Legal Report

Attorney Dennis L. Puckett provided a legal report to the Board. He discussed a case recently decided by the Iowa utilities Commission involving Hawkeye Land Company and Metronet. He also reported on the grant of a stay in an ITC franchise case, where the constitutionality of the statute allowing utilities to use the road right-of-way is being challenged.

Attorney Puckett updated the Board on issues related to the Northeast Power line constructed to serve the Moravia and Honey Creek substations. He noted that FERC issued an order on May 15th clarifying its prior order; but it does not require ITC Midwest to maintain its facilities or provide back-up transmission service. Northeast Power can apply for interconnection service through the normal process and intends to do so. In light of the order, the appeal of the prior FERC decision will be dismissed, and the Iowa court action will also be dismissed.

Lastly, Attorney Puckett reported on collection efforts involving CAMP365.

Director Reports

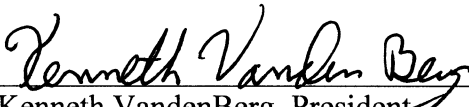
The board packet included written reports from Northeast Power, the Iowa Association of Electric Cooperatives, the National Rural Electric Cooperative Association and the Iowa Association Development Group.

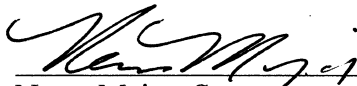
Meeting Dates/Calendar of Events

The upcoming Board meeting dates were reviewed. The next meeting is scheduled for June 26, 2025, 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 2:38 p.m.


Kenneth VandenBerg, President


Norm Major, Secretary