CHARITON VALLEY ELECTRIC COOPERATIVE
REGULAR MONTHLY BOARD MEETING
May 21, 2026

A meeting of the Chariton Valley Electric Cooperative, Inc. (CVEC) Board of Directors was called to order by President Kenny VandenBerg at the Cooperative office in Albia, Iowa, on May 21, 2026, at 1:00 p.m.

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

Consent Agenda
The Board reviewed the items included in the consent agenda. A motion was made, seconded and carried to approve the consent agenda, including the meeting agenda, the minutes of the regular board meeting held April 23, 2026, and the New Member List for April 2026.

SEE ATTACHED MEMBER LIST

Human Resources Report
Ashley Duley presented the Human Resources Report. She reported that five rebate applications were processed in April, resulting in rebate payments totaling $700. She noted that rebate activity increased significantly in May. Ms. Duley also reported on the Cooperative's summer internship program and advised that both an inside and an outside intern had been selected. In addition, she informed the Board that she attended a training program in Lincoln, Nebraska, from May 5-7, 2026, presented by the National Rural Electric Cooperative Association.

Operations Report
Line Superintendent Jared Shaw presented the Operations Report. He reviewed outage activity for April, reporting 34 unplanned outages that affected 823 members. Mr. Shaw reported that minimal progress had been made on the Construction Work Plan during the month. He noted that only two poles remain to be replaced in the Rizerville Substation. He also advised the Board that tree-trimming crews have begun working in the Avery Substation area. In addition, pole testing has been completed, with approximately 5% of the poles tested being rejected for replacement.

Safety Report
The Board reviewed the Safety Report and accompanying statistics included in the board packet. A near-miss incident was discussed. It was reported that a safety meeting was held on April 15, 2026. The Cooperative has achieved 5,417 safe working days since March 27, 2014. A motion was made, seconded and carried to accept the April 2026 Safety Report as presented.

Member Communications and Engagement Report
Executive Assistant/Communications Coordinator Anna See presented the Member Communications and Engagement Report. She reviewed upcoming meetings and discussed plans

for those attending the Associated Annual Meeting. Ms. See also reported that the Cooperative had received the results of its member satisfaction survey. Chariton Valley Electric Cooperative received a score of 81, an improvement from the score of 80 received three years earlier and exceeding the national average score of 76.

The Boar discussed the survey results and noted that the issues identified by members were generally consistent with concerns expressed in previous surveys. General Manager Amoss reported that he had personally followed up with members who submitted complaints. He noted that the most common concern related to the service availability charge and that, after the charge was explained, most members were more accepting of it.

Ms. See also reported on the activities of the Operations Round Up Board and advised that a donation check had been presented to the Centerville Volunteer Fire Association.

<u>Policy Review</u>
The comprehensive review of Board policies continued, with the Board reviewing Policies A-111, A-111.01, A-112, B-101, B-101.01, B-102, B-102.01, B-103 and B-109. Copies of the policies, including suggested revisions and comments, were included in the board packet and reviewed by the Board.

During the discussion, it was suggested that the provision regarding telephone notice of board meetings be removed from Policy B-102. Board members also discussed provisions related to the inspection of books and records and succession planning. Following review and discussion, a motion was made, seconded and carried to approve the policy revisions as discussed during the meeting.

<u>IT/Cyber Security Report</u>
The Board reviewed the written IT/Cyber Security Report submitted by Network Administrator Nathan Norton and included in the board packet. CEO/General Manager Amoss inquired whether there were any questions regarding the report, and none were raised.

Attorney Puckett also discussed a recent email-related incident at Sullivan & Ward that had been successfully resolved. He noted that the incident served as a reminder of the cybersecurity risks organizations face and illustrated how issues can occur despite preventative measures.

<u>Finance Report</u>
Finance Manager Trudy Grade presented the financial report, which included the following items:

a) <u>Financial Statements</u> – The April 2026 financial statements were included in the board packet and reviewed. The income statement, balance sheet and statement of cash flows were reviewed. A loss of approximately $94,000 was incurred in April, which Ms. Grade explained was typical for that month. Revenues were approximately 4.5% below budget for the month but approximately 1.4% higher than the prior year.

   Ms. Grade reported that there were no unusual transactions during the month. The Board reviewed the checks issued during the month, beginning with check number 60931 and continuing through 60984.

Following review, a motion was duly made, seconded and carried to approve the April 2026 financial statements as presented.

b) Credit Cards – The credit card expenses were reviewed by the Board. Following review, a motion was made, seconded and carried to approve the Cooperative's credit card expenses and the CEO/General Manager's expenses for the month of April 2026.

2025 Margin Allocation

Finance Manager Trudy Grade reviewed the 2025 margins available for allocation, totaling $1,774,642.52. Ms. Grade discussed the available allocation options, including the contingency reserve, statutory surplus, education fund and member patronage. A proposed resolution regarding the allocation of the 2025 margins was reviewed by the Board. Following discussion, a motion was made, seconded and carried to adopt the resolution.

SEE ATTACHED RESOLUTION

Patronage Retirement

Finance Manager Trudy Grade noted that, in addition to allocating the prior year's margins, the Board has historically taken action each year to retire a portion of the previously allocated patronage dividends. Ms. Grade suggested that $250,000 of previously allocated patronage dividends be retired. Following discussion, a motion was made, seconded and carried to approve retirement of $250,000 in patronage dividends from prior years.

Financial Forecast

The board packet included the Cooperative's long-range financial forecast for 2026 through 2035, which has been submitted to RUS. The statement of assumptions underlying the forecast was reviewed and discussed. The forecast includes pro forma balance sheets and operating statements for the ten-year planning period. The Board reviewed the forecast and related financial projections.

CEO/General Manager Report

CEO/General Manager Troy Amoss presented his report to the Board. Mr. Amoss provided information regarding the reopening of Honey Creek Resort and discussed the status of the economic development loan previously made to the former operator, Achieva.

He noted that the Construction Work Plan has been submitted to RUS and is awaiting approval.

Mr. Amoss also advised the Board that, although the Board had previously approved an RLF loan to the City of Promise City for road improvements, the City has decided not to proceed with the project at this time.

An update was provided regarding the Cooperative's potential after-hours call service. Mr. Amoss also reported that Meridian is merging with NISC and discussed the implementation of a mass disconnect system process.

In addition, Mr. Amoss reported on the legislative activities and communications during the recent legislative session.

The Board also discussed scholarships awarded by the Cooperative, the collections process and other matters of interest to the Cooperative.

Old or Unfinished Business

The Chairman called for any old or unfinished business to come before the Board. No old or unfinished business was presented.

New Business

a) Board Expense Report – The Board reviewed the Board Expense Report. Following review, a motion was made, seconded and carried to approve the report as presented.

b) Annual Meeting Teller Nominations – Directors Welsh, Heffron and Gottschalk were asked to provide nominations for tellers to serve at the Annual Meeting. It was noted that action to approve the nominees will be taken at the next board meeting.

c) CFC Voting Delegate – The Board discussed the designation of a voting delegate and alternate for the upcoming CFC meeting. A motion was made, seconded and carried to designate Norm Major as the delegate and Richard Welsh as the alternate delegate.

Executive Session

The Chairman asked if there was a need for an executive session and there was none.

Legal Report

Attorney Puckett provided a Legal Report. The board packet included a report summarizing the legal services performed for the Cooperative during the previous month, which was reviewed by the Board.

Attorney Puckett also reported on a recent decision of the Iowa Utilities Commission in the River City Energy case and a decision of the Iowa Supreme Court in the Worthwhile Wind case. He discussed the significance of these decisions and their potential implications for electric cooperatives and the utility industry.

Director Reports

a) Northeast Power Report – It was noted that Northeast Power CEO Doug Aeilts has announced his intention to retire at the end of the year. The board packet included a report from the Northeast Power board meeting held on April 24, 2026, which was reviewed by the Board.

b) Iowa Association of Electric Cooperatives Report – The board packet included a written report concerning the Iowa Association of Electric Cooperatives board meeting held on May 1, 2026. The report was reviewed, and recent changes in IAEC staff were noted and discussed by the Board.

Discussion Items

a) Governance Talk Videos – The Board reviewed a Governance Talk video provided by the National Rural Electric Cooperative Association (NRECA) concerning NRECA's youth programs.

Calendar Dates and Events

Chairman VandenBerg reviewed the calendar of events included in the board packet. A scheduling conflict with the previously planned June board meeting date was discussed, and the Board agreed to move the meeting to June 26, 2026. It was noted that the next regular board meeting will be held on June 26, 2026, commencing 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 3:20 p.m.

Kenneth VandenBerg

Kenneth VandenBerg, President

Norm Major

Norm Major, Secretary