

CHARITON VALLEY ELECTRIC COOPERATIVE
REGULAR MONTHLY BOARD MEETING

March 24, 2022

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 March 24, 2022, at 5:15 p.m. by President Michael Miller.

Secretary Norm Major reported all 9 directors were present. Others in attendance included CEO/General Manager Leilani Todd, Finance Manager Trudy Grade, Economic Development & Community Relations Manager Tod Faris, Roger Solomonson, President of the Iowa Association of Electric Cooperatives Board of Directors, Chris Perrine of Federated Rural Electric Insurance Exchange, Brian Allen of Homestead Funds, and Cooperative Attorney Kyle Kruidenier who participated remotely by video conference. Operations Manager Troy Amoss, was absent.

Consent Agenda

A motion was made, seconded and carried to accept the consent agenda items as follows, the agenda, the March 1, 2022, regular business meeting minutes and the February 2022 New and Disconnected Member Lists.

SEE ATTACHED MEMBER LIST

Special Guest – Roger Solomonson, President of the IAEC Board

Roger Solomonson, President of the Iowa Association of Electric Cooperatives (IAEC) Board of Directors, was introduced and he provided information about what IAEC does for its members in the areas of health insurance, communications, education, lobbying, regulatory affairs and safety and loss. Following his presentation, he thanked the Board for the opportunity to present. Following the presentation, Roger Solomonson left the meeting.

Special Guest - Chris Perrine, Federated Rural Electric Insurance Exchange

Chris Perrine, Account Executive for Federated Rural Electric Insurance Exchange (Federated), was introduced by CEO/General Manager Leilani Todd. Chris began his presentation by providing background as to how Federated was formed. He then went on to provide information regarding Federated's current policy numbers and recent claim numbers. He attributed an increased number of policies and decreasing claim numbers to more robust Safety and Loss programs. Chris then talked about increasing cyber security threats, what cooperatives can do to protect themselves and insurance options. The Board was given an opportunity to ask questions throughout the presentation. Following the presentation, Chris Perrine left the meeting.

Special Guest - Brian Allen, Homestead Funds

Brian Allen, Financial Advisor for Homestead Funds (Homestead), a subsidiary of NRECA was introduced by CEO/General Manager Leilani Todd. Brian began his presentation by providing information regarding what Homestead is and what they do. Specifically, that it was formed as a low cost, non-profit to help cooperatives and cooperative employees with their investments. Any profits that Homestead generates are purportedly funneled back to cooperatives through NRECA. Homestead currently manages 10 different mutual funds for various investor risk tolerances and has \$2.8 billion

under management. The Board was given the opportunity to ask questions throughout the presentation. Much discussion was had as to how Homestead could help generate a better financial return on Chariton Valley's cash reserves of approximately \$214k than is currently being received by the funds currently held in Certificates of Deposit. Based on answers provided by CVEC to a questionnaire previously presented to CVEC management, Brian recommended an investment allocation of approximately 60% in fixed income assets, weighted towards short term bonds and approximately 40% in equities, mainly "large cap" companies.

At the end of the presentation, Brian thanked the Board for its time and circulated his contact information should anyone have questions for him at any time after the meeting. The Board recessed for 5 minutes. Upon returning to the Meeting, Trudy Grade presented slides showing the return that CVEC has been receiving through investment in CD's and projections of what they could have generated had they invested in Homestead five years ago. At the end of the discussion, a motion was made, seconded and carried to have the Board's Finance Committee further investigate the best use of the cash reserves and to bring a recommendation to the Board at a future Board meeting. Brian Allen left the meeting at this point.

Management/ Staff / Department Written Reports

The Board packet included written reports from the CEO/General Manager, Operations, Economic Development/Community Relations, Member Communications and Engagement and Information Technology and Cyber Security. CEO/General Manager Todd noted that in addition to the written materials, the Cooperative was informed that the Human Resources Manager position had been filled by Tim Ash and that he would be starting April 11, 2022. CEO/General Manager Todd also provided information about how the changes to Chapter 27 of the Iowa Administrative Code have opened up the possibility of CVEC participating in a Pre-paid metering pilot program, the first of its kind in the State of Iowa. Much discussion was had regarding how the program could benefit members and how it works in other states. There was an informal consensus of the Board for CEO/General Manager Todd to continue exploring this opportunity for CVEC with IAEC and attorney Puckett. Next, CEO/General Manager Todd circulated the Agenda for the Associated Electric Annual Meeting and asked Board members to let her know by March 30, 2022 if they were interested in attending. Finally, CEO/General Manager Todd discussed the future of Honey Creek Resort. Director Vandenberg also shared that he had spoken with the Governor and that she is interested in moving the potential sale forward as quickly as possible.

Attorney's Report

A written legal report was included in the monthly board packet and attorney Kruidenier provided additional information. Questions were asked and answered concerning the status of Northeast Missouri Electric Power Cooperative's Moravia Tap petition before the IUB. Additionally, a motion was made, seconded and carried to have attorney Puckett act as Secretary and attend monthly Board meetings, acknowledging that the Sullivan & Ward, P.C. monthly retainer would be increased to reflect the expanded role.

Safety Report

A motion was made, seconded and carried to accept the February 2022 Safety Report and statistics information that was included in the Board packet.

Finance Report

Finance Manager Trudy Grade presented the Financial Report that was included in the Board packet. The report included a list of February 2022 activities, the Financial and Statistical Report for February 2022, and February financial statements. Following presentation of the financials, a motion was made, seconded and carried to approve the same.

At this time the staff left the meeting, with the exception of CEO/General Manager Todd.

Old or Unfinished Business

Directors VandenBerg and Brown reported on their attendance at the NRECA Annual Meeting. They both thought the meeting was worthwhile, but were disappointed with the "break-out" sessions.

CEO/General Manager Todd reported on the REC's "Day on the Hill" with Iowa legislatures. Turnout for the event was great and seemed fruitful in that a Digital Sales Tax bill being championed by RECs was passed later that night.

New Business

A motion was made, seconded and carried to accept the Board Expense Report that was included in the Board packet.

A motion was made, seconded and carried to accept the Annual Reliability Report that was included in the Board packet.

A discussion was held regarding the 2022 NRECA Legislative Conference material that was included in the Board packet. There was consensus to send staff and directors who wanted to attend. CEO/General Manager Todd shared the deadline for registration was March 30, 2022, and to let her know if interested in attending.

The Board reviewed Rural Electric Supply Cooperative (RESCO) Director Election materials. Director Major expressed interest in being nominated for the RESCO Board. Nominations are due by May 22, 2022. The consensus was that if Director Major wanted to be a candidate that he should submit a Director Nomination Form before the deadline.

Northeast Missouri Electric Power Cooperative (NEP) Update

The Board packet contained information regarding NEP's annual meeting, scheduled for March 25, 2022.

Iowa Association of Electric Cooperatives

Director VandenBerg reported on the REC's annual Day on the Hill event spearheaded by the IAEC.

Iowa Institute of Cooperatives

It was noted that there was nothing to report.

CVEC Committee Reports

Director Major reported on the discussion that the Insurance and Finance Committee had with Chris Perrine of Federated regarding CVEC's current coverage and additional coverage that CVEC may be interested in.

Discussion Items

Director Brown brought up issues with credit card expenses related to her recent travel for the NRECA Annual Meeting. CEO/General Manager Todd stated that she was aware of the issues and asked the Board to be vigilant when reviewing its expenses and charges.

Executive Session/Break

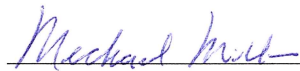
The Board did not go into Executive Session.

Calendar of Events.

The Board packet included a calendar of events and it was noted that the regular board meeting currently scheduled for February 28, 2023 would be moved to February 27, 2023 to accommodate a Director scheduling conflict.

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 9:04 p.m.



Mike Miller, President


Norm Major, Secretary