

CHARITON VALLEY ELECTRIC COOPERATIVE
REGULAR MONTHLY BOARD MEETING

April 28, 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 April 28, 2022, at 5:00 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; Operations Manager Troy Amoss; Network Technician(s) Chelsea Nicholson; and Nathan Norton; Mike Spratt of BKD CPAs & Advisors; and Cooperative Attorney Dennis L. Puckett who participated remotely by video conference. Technology and Cybersecurity Consultant Dan Doggendorff joined a portion of the meeting by video conference.

Consent Agenda

A motion was made, seconded and carried to accept the consent agenda items as follows, the agenda; the March 24, 2022, regular business meeting minutes; and the March 2022 New and Disconnected Member Lists.

SEE ATTACHED MEMBER LIST

Special Guest – Mike Spratt, BKD CPAs & Advisors

Mike Spratt of BKD CPAs & Advisors was present to virtually present the audited financial report for the period ending December 31, 2021. Correspondence from the auditor and copies of the audited financial statements were included in the Board packet. CPA Spratt noted that the audit went well, and his firm was issuing an unmodified clean report on the financial statements. He reviewed the financial statements, highlighting key changes occurring in 2021 from 2020. He identified changes in long term debt, operating revenue, expenditures, and gross profit percentage. Key ratios were noted. He discussed controls and complimented the Board on its effort to review the check listing and credit card statements. Following the presentation, a motion was duly made, seconded and carried to accept the audit report as presented. CPA Spratt then left the meeting.

Special Guest - Dan Doggendorff - IT Consultant

Technology and Cybersecurity Consultant Dan Doggendorff joined the meeting by video conference. Leilani Todd noted that the RC3 cybersecurity assessment was completed last year through the IAEC. Staff recommended that IT be added to the strategic plan. Dan Doggendorff was introduced, and it was noted that he was helping the Cooperative IT staff address items that were uncovered during the assessment. An IT Road map was presented by Dan and the IT Staff. Dan indicated that things are rapidly changing, so the roadmap may need to change and evolve. The roadmap included business as usual initiatives; enhancement initiatives; and RC3 Phase 2 initiatives. Chelsea Nicholson commented on the business as usual initiatives and Nathan Norton commented on the enhancement initiatives, while Dan Doggendorff detailed the Phase 2 initiatives. Leilani Todd noted that the Cooperative was fortunate that the IAEC assisted with the

RC3 assessments and the IAEC is pursuing grant funding to cover phase 2 work as well. The Board was given an opportunity to ask questions, and then Dan, Chelsea, and Nathan left the meeting.

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. Dates for upcoming meetings were noted. Economic Development & Community Relations Manager Tod Faris answered questions about existing RLF loans, and specifically the Camp 365 loan that is coming due on 5-1-22. He also noted that the RMA Armament loan has been paid off early.

Attorney's Report

A written legal report was included in the monthly board packet and attorney Puckett provided additional information, especially with respect to the Northeast Missouri Electric Power Cooperative's Moravia Tap petition before the IUB.

Safety Report

A motion was made, seconded and carried to accept the March 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 March 2022 activities, the Financial and Statistical Report for March 2022, and March financial statements. Also included was the RUS Financial and Statistical Report (Form 7) and various graphs. It was noted that RUS Field Representative Pat Bormann had positive comments on the Form 7. Following the presentation of the financials, a motion was made, seconded and carried to approve the same. Finance Manager Trudy Grade also reviewed the capital plant additions and the 1st Quarter Community contributions.

Credit Card Analysis.

An analysis of several top corporate credit cards was reviewed by staff and a presentation was made to the Board comparing the various options provided. The history of usage was reviewed, and the history was used to evaluate the costs and benefits of the card options. Staff recommended remaining with the CFC One Card and the reasons for the recommendation were noted. No action was requested, as it was noted that the credit card policy will be updated and presented at the May Board meeting.

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

New Business

The Board packet included a Board Expense report and General Manager Todd reviewed the changes in format from prior reports, in an effort to enhance transparency. A motion was made, seconded and carried to accept the Board Expense Reports that was included in the Board packet.

A motion was made, seconded and carried to approve a contribution to the CFC Integrity Fund equal to 5% of the Cooperative's patronage allocation from CFC.

A discussion was held concerning the CVEC Annual meeting to be held August 1, 2022, with a theme of "reMembering 75 years". Initial plans were reviewed, and it was the consensus of the Directors to proceed with the plans as presented.

A political action update was provided, and comments were shared concerning the event held in Ottumwa, with several legislative candidates speaking.

The NRECA Legislative Fly-In is scheduled for May 1-4 in Washington, D.C.; the Associated Annual meeting is scheduled May 16-18, 2022, in Branson, Missouri; and the CFC Forum and the CFC and Federated Annual Meetings are to be held June 20-22 in Boston, Massachusetts. A motion was duly made, seconded and carried to designate the following delegates and alternates for the CFC and Federated Annual Meetings:

<u>Meeting</u>	<u>Delegate</u>	<u>Alternate</u>
CFC	Richard Welsh	Norm Major
Federated	Norm Major	Richard Welsh

A discussion was held concerning the June Board meeting and the consensus was to keep the meeting to June 23, 2022.

The 2022 Core 5 Goals were reviewed by General Manager Todd, as well as the 1st Quarter update on the strategic initiatives and director education and training.

Operation Round-Up

It was noted that Jack Baker had indicated that he would be resigning from the Operation Round-Up Board. General Manager Todd requested the Board members to consider names of possible replacements prior to next month's meeting and a couple of names were provided. The Board consists of 1 representative from each District and 3 at large.

Northeast Missouri Electric Power Cooperative (NEP) Update

Directors provided comments concerning NEP's annual meeting held March 25, 2022.

Iowa Association of Electric Cooperatives

Director Vandenberg reported on the activities of the IAEC, including work on the budget, RC3 activities, and Youth Tour. He indicated that the NRECA regional meeting will be held in Minneapolis in 2022 and 2024 and in Des Moines in 2023.

Iowa Institute of Cooperatives

It was noted that there was nothing to report.

CVEC Committee Reports

It was reported that the Risk Management Committee had met and received the requested insurance proposals for coverage on earthquake coverage and increasing coverage under the All-Risk Blanket.

A meeting with the Finance Committee would need to be held to evaluate the proposed investment policy. CEO/General Manager Todd recommended that a time be set aside to also review the Policy #36 – Financial Policy recently updated, and Brian Allen with Homestead is willing to go over the investment allocation.

Discussion Items

General Manager Todd reported on grant approvals from the Operation Round-Up Board.

Executive Session/Break

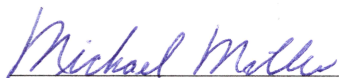
The Board recessed into executive session at 8:10 p.m., with all Directors and attorney Puckett present. General Manager Todd joined the Executive Session at 8:30 p.m., and the Executive Session ended, and the meeting resumed in regular session at 8:45 p.m., with all those present as were present during the executive session.

Calendar of Events.

The Board packet included a calendar of events, and it was noted that the board was invited to participate in a tour of the Cooperative service territory on the afternoon of May 26th. It was also noted that the CFC survey for the Board and Staff would be sent out April 29, 2022. A suggestion was made to have the Board books completed earlier in the month to give the Board members more time to review prior to the meeting.

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 9:00 p.m.



Mike Miller, President



Norm Major, Secretary