

CHARITON VALLEY ELECTRIC COOPERATIVE
REGULAR MONTHLY BOARD MEETING

May 26, 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 May 26, 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; Operations Manager Troy Amoss; and Cooperative Attorney Dennis L. Puckett who participated remotely by video conference.

Consent Agenda

A motion was made, seconded and carried to accept the consent agenda items as follows, the agenda; the April 28, 2022 regular business meeting minutes; and the April 2022 New and Disconnected Member Lists.

SEE ATTACHED MEMBER LIST

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. Additional items discussed included the IUB inquiry into utilities' preparedness for the summer peak and the IAEC volunteer recognition program, with nominations beginning June 1st. The Board was given an opportunity to ask questions about the written reports.

Camp 365 Loan

Economic Development & Community Relations Manager Tod Faris presented information about a loan extension request from Camp 365. The Borrower has a \$150,000 interest only loan that was due on May 1, 2022 and the Borrower has requested an extension. Details concerning the Borrower's operations were reviewed and it was noted that the Borrower had made all interest payments that were due under the Note. The Borrower is working with a local bank for additional financing and would intend to pay-off the loan once the new financing is available. Following complete discussion, a motion was made and seconded to approve an extension of the interest only loan through December of 2022. A roll-call vote was taken and the motion passed 7-2, with Directors VandenBerg and Brown voting no.

Attorney's Report

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

Safety Report

A motion was made, seconded and carried to accept the April 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 April 2022 activities, the Financial and Statistical Report for January through April, 2022, and April financial statements. Also included were various graphs, information on the outstanding economic development loans, and patronage allocations. It was noted that April revenue was up compared to budget and the prior year. Operating expenses were also higher. Following the presentation of the financials, a motion was made, seconded and carried to approve the same.

2021 Margin Allocation

Finance Manager Trudy Grade noted the Cooperative had \$1,075,195.27 in margins during 2021 and it would be appropriate for the Board to allocate the same in accordance with Iowa law, the Articles of Incorporation, and Bylaws. A proposed recommendation was reviewed and following discussion, a motion was made, seconded and carried to adopt the Board Resolution for the 2021 Margin Allocation that was included in the Board packet. A copy was directed to be attached to these minutes.

SEE ATTACHED RESOLUTION

Patronage Retirement

Finance Manager Trudy Grade noted the Board packet included a chart showing the patronage allocations from 2009 through 2021. The 2009 allocations included \$28,880.49 in Cooperative allocations and \$243,461.54 in G&T allocations, for a total of \$272,342.03 (which excludes \$552.41 that was already retired in estate payouts). Following discussion, a motion was duly made, seconded and carried to retire the 2009 patronage in the amount of \$272,342.03.

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

Legislative Conference

It was noted the NRECA legislative conference was held in Washington D.C. earlier in the month. Director Welsh attended and he provided comments concerning the conference.

Associated Annual Meeting

The Associated Annual meeting was held recently and those in attendance provided comments concerning the meeting. The theme was the need for technology, transmission, and time. Overall, the comments were positive concerning the meeting.

Operation Round-Up

It was noted that it would be appropriate to nominate a new Director to fill the vacancy created by the resignation of Director Baker. Suggestions were offered, which included Tracey Matt and Gary Gansen. Following discussion, a motion was made, seconded and carried to nominate Tracey Matt for the position on the Operation Round-Up Board.

New Business

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

A discussion was held concerning the CVEC Annual meeting to be held August 1, 2022. It was noted that so far only the incumbents have submitted the required petitions to be placed on the ballot. A discussion followed concerning ways to attract more interest in Board service. It was also noted that tellers for the Director election were required. A motion was made, seconded and carried to appoint the following tellers: District 5 - Becky DeTar, Vicki Gardner; District 1 - Makenzie Exline and Sherrie Parker; and District 2 - Janet Crall, Debra "Debbie" Zaputil. Alternates would be the 2022 Youth Tour winners, Gabriel Helmon and Jayce Reed.

A discussion was then held concerning the Annual meeting gifts and information about the costs of gifts given in the past was included in the Board packet. Following discussion, a motion as made, seconded and carried to approve a bill credit of \$15.00 for those members who return a ballot.

A discussion was held concerning the movie to be shown at the Annual Meeting.

The Board Packet included proposed revisions to Board Policy #35 concerning Cooperative Credit Cards. The revisions were reviewed by CEO/General Manager Todd. Following discussion, a motion was made, seconded and carried to approve the revisions to Board Policy #35 as presented.

SEE ATTACHED POLICY

The NRECA Regional meeting is to be held September 21-23, 2022, in Minneapolis. CEO/General Manager Todd indicated that she would need to know who planned to attend so that hotel and transportation could be arranged.

The Cooperative participates in the NRECA Pension and 401(k) Plans. It is occasionally necessary to have the retirement plans restated to include updates in applicable laws. A resolution provided by NRECA authorizing the filing of an Amendment and Restatement to the Retirement Security and 401(K) Pension Plan was included in the Board packet. Following discussion, a motion was made, seconded and carried to approve the resolution as presented.

SEE ATTACHED RESOLUTION

Northeast Missouri Electric Power Cooperative (NEP) Update

The Board packet included a written update on NEP activities as of April 29, 2022.

Iowa Association of Electric Cooperatives

Director VandenBerg noted the Board packet included a report on the activities of the IAEC and he offered to answer any questions concerning the report.

Iowa Institute of Cooperatives

It was noted there was nothing to report.

CVEC Committee Reports

It was reported the Finance Committee had met earlier in the day and reviewed Board Policy #36 with attorney Puckett. Representatives from Homestead Funds also participated by video conference and reviewed options for investing Cooperative surplus funds, which are currently held in certificates of deposit. Following receiving input from the Committee, the Homestead Fund representatives recommended a bond fund, with 65% short-term and 35% mid-term. They will re-run the financial projections based on this allocation and it will be presented at a future meeting. In the meantime, the certificate of deposit that matures on June 7th will not be renewed.

It was noted the Governance Committee will meet before the June meeting at 3:00 p.m. on June 23, 2022. The Finance Committee can meet following the Governance Committee to review the new projections from Homestead Funds.

Board Retreat

A Board retreat is scheduled for June 1-2, 2022. Information was included in the Board packet.

Executive Session

The Board recessed into executive session at 8:05 p.m., with all Directors and attorney Puckett present. The Executive Session ended and the meeting resumed in regular session at 8:40 p.m., with all those present as were present during the executive session. CEO/General Manager Todd also rejoined the meeting.

Discussion Items


A discussion was held concerning the director petition process. The difficulty of director candidates knowing who is in their district and who is a member in good standing were discussed. Following discussion, a motion was made, seconded and carried to change the definition of "member in good standing" for purposes of determining who can sign a petition to remove the requirement that the member have paid their bill timely in the preceding 12 months.


Calendar of Events

The Board packet included a calendar of events, which incorrectly note the next Board meeting as June 25th. The Board meeting will be held on June 23rd.

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 8:57 p.m.


Mike Miller, President


Norm Major, Secretary