

CHARITON VALLEY ELECTRIC COOPERATIVE
REGULAR MONTHLY BOARD MEETING

October 27, 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 October 27, 2022, at 1:00 p.m. by President Michael Miller.

Secretary Norm Major reported all directors were present in person. Other attendees included CEO/General Manager Leilani Todd; Finance Manager Trudy Grade; Economic Development & Community Relations Manager Tod Faris; and Human Resources/ Executive Administrative Coordinator Ashley Tratchel. Cooperative attorney Dennis Puckett participated remotely by video conference. Operations Manager Troy Amoss was absent due to attending an IAEC Conference.

Consent Agenda

A motion was made, seconded, and carried to accept the amended consent agenda items as follows: the agenda; the September 30, 2022 regular business meeting minutes; and the September 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, Information Technology and Cyber Security, and Human Resources.

(a) Drainage Issue

General Manager Todd reported on an issue that has arisen concerning the land between the Cooperative's property and that of Iowa Aluminum. The cost will be shared between the two organizations and the cost to Cooperative is estimated to be about \$3,500. A DOT culvert will be replaced by the DOT; and CVEC will need to pay for driveway repairs. This cost will be factored into the 2023 budget.

(b) Operations

The Board packet included a map showing where the Cooperative was in the process of completing vegetation management activities.

(c) Hometown Housing

Tod Faris' written report included information about Hometown Housing and Soyland Homes. Soyland Homes has offered to build at least 5 houses if the Cooperative can locate the properties.

Employers in the area are interested in seeing more housing available, so they can attract and retain workers. Some of the employers are willing to assist employees with the costs. Four lots in Centerville have been identified and the Cooperative is looking to find a 5th lot in the Albia area.

(d) Palindromes/Sedes Agricultural Project.

The Board packet included information about a project being pursued in the area, which will be a possible candidate for a \$2 million pass-through loan from USDA. Tod Faris is working with IADG on the evaluation and it is possible the application will be complete and available for the Cooperative to act upon at its November meeting.

(e) Communications.

General Manager Leilani Todd indicated that she has been working with Northeast Missouri on communications materials since Anna has been out of the office and Allie Bennet has been providing more strategic efforts for CVEC.

(f) Technology.

Nathan Norton was out for funeral leave; but the Board book included an update on the disaster recovery plan. It was also noted that phishing tests and training are being conducted to try and prevent a cybersecurity event.

(g) HR Written Report

Human Resources/Executive Administrative Coordinator Ashley Tratchel noted that it has been a busy month with a lot of training going on. She noted certain director board leadership training available through NRECA.

Attorney's Report

A legal report was provided by attorney Puckett. He provided the Board with an update on the Moravia Tap franchise, including the fact that ITC Midwest has notified NE Missouri that it intends to terminate its contract.

Safety Report

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

Finance Report

Finance Manager Trudy Grade presented the Financial Report included in the Board packet. The report included a list of September 2022 activities, the Financial and Statistical Report for January through September 2022, various charts, and a cash flow statement, and other materials. TIER was reported as 2.89% and OTIER was 2.5%. A comparison of various items to budget was presented on the financial statements. Trudy noted that there were three projects closed in September from the 2020 - 2023 work plan at a cost of \$327,968 compared to a budgeted cost of \$470,000, reflecting a 30% savings. The Homestead Funds investments were reviewed, reflecting

a loss for the quarter. Homestead will present to the Board in January. Trudy noted that CFC was continuing to work on the cost of service study, with some delays being due to discrepancies in the AMI data. The full study will likely not be complete until after the first of the year. It was noted that the Cooperative was exploring possible revenue deferral options in 2022 to try and mitigate anticipated increases in power supply costs in 2023. A discussion followed concerning rates and bill credits. Following the presentation of the financials, a motion was made, seconded, and carried to approve the same.

Finance Manager Trudy Grade presented the Cooperative's September, 2022 Credit Card Expenses. Following discussion, a motion was made to approve the Cooperative's credit card and CEO/GM expenses for the month of September. The motion was seconded, and carried.

Audit Proposals

An RFP for audit services was issued and responses were received from Dennis Koch, Clifton Larson Allen, Forvis (formerly BKD), and Eide Bailly and 1 year and 3 year proposals were requested. The bids were reviewed by the Board and the Cooperative's evaluation points were discussed. Staff recommended continuing with Forvis for a 3-year proposal, provided there is a change in the managing audit partner. Following discussion, a motion was made, seconded and carried to accept the bid from Forvis; but to try and negotiate it lower if possible.

Capital Additions

The report of capital plant additions through September was included in the Board packet, reflecting \$385,652.28 spent out of a budget of \$679,000. Items in progress were reviewed.

Director Expenses

The director per diem and expense report was reviewed and a motion was made, seconded and carried to approve the report as presented.

Director Training

There will be various director training opportunities in connection with the IAEC Annual meeting. Directors were instructed to let Ashley know if they wanted to be registered for any of the training.

Quarterly Update on Executive Plan

The Board was presented a report on the Executive Plan. CEO/General Manager Leilani Todd explained where the Cooperative has been and the plans for meeting strategic goals. Tod Faris discussed member relations, specifically noting a tri-annual survey through Associated, improved communications, and updates to social media. He also reported that he was serving on the Economic Development Committee at Associated. From a financial perspective, Trudy Grade noted that the cost of service study was still in process. An updated capitalization policy still needs to be completed. The 10-year financial forecast is being completed with the assistance of CoBank. Enhancing the capital credit policy has been moved to 2023. Ashley Tratchel indicated that the update to the employee handbook had been postponed to 2023; however, total employee compensation statement implementation is planned for 2023. Employee turnover is decreasing and the cooperative is working on succession planning. An improved on-boarding process is also in the works.

Leilani Todd shared that remaining staff members would present Part 2 of the execution plan at the November board meeting.

Committee Reports

The governance committee has reviewed the per diem policy and recommended no changes. It was a consensus of the Board to keep the policy as presently written.

Executive Session

The Board recessed into executive session at 4:50 p.m., with all Directors and attorney Puckett. The Executive Session was recessed and the meeting resumed in regular session at 5:07 p.m., with all those present as were present during the executive session. CEO/General Manager Todd and Ashley Tratchel also rejoined the meeting.

Great Co-ops

Ray Beavers and Matt Gilley from Great Co-ops joined the meeting remotely. CEO/General Manager Todd introduced the special guests and indicated that they had completed an employee survey and were providing coaching to key staff. Ray Beavers noted the work he has been doing and provided his perspective on issues at the Cooperative. He noted training offered by Dr. J. Lee Whittington. He also noted that there were a number of cooperatives around the country having difficulties. A discussion followed concerning changing culture, employee satisfaction, communication issues, and other matters brought to light in the employee survey. The survey did reflect a very strong safety culture. It was noted that only 50% of the employees participated in the survey, which impacts the confidence in the data results. Great Co-ops will continue to be engaged through March of 2023.

Executive Session.

The Chairman resumed the Executive Session, which was attended by all Board members and attorney Puckett. Ray Beavers and Matt Gilley remained in the meeting for the beginning of the Executive session and then left the meeting. Following completion of the Executive Session, the meeting resumed in regular session and CEO/General Manager Todd returned.

NE Power Report

It was noted that the NE Power meeting involved quite a bit of discussion about the 2023 budget.

IAEC Report

The Board packet include a written report concerning the IAEC activities and Director VandenBerg offered to answer any questions on the report.

Iowa Institute for Cooperatives

It was noted that the Iowa Institute for Cooperatives would be holding its Annual meeting on November 22nd in Ames.

Old or Unfinished Business


President Michael Miller asked if there was any old or unfinished business.

Calendar of Events.

The Board packet included a calendar of events and it was noted that the next Board meeting would be held at 4:00 p.m. on Monday November 28, 2022.

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 6:45 p.m.



Michael Miller, President



Norm Major, Secretary

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