

CHARITON VALLEY ELECTRIC COOPERATIVE
REGULAR MONTHLY BOARD MEETING

December 20, 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 December 20, 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; Human Resources/ Executive Administrative Coordinator Ashley Tratchel; Operations Manager Troy Amoss; and Network Administrator Nathan Norton. Special guest participating in a portion of the meeting was Bruce Nuzum of the Iowa Area Development Group. The Cooperative's attorney Dennis Puckett participated remotely by video conference.

Consent Agenda

A motion was made, seconded, and carried to accept the amended consent agenda items as follows: the agenda; the November 28, 2022 regular business meeting minutes; the December 7, 2022 special board meeting minutes; and the November 2022 New and Disconnected Member Lists.

SEE ATTACHED MEMBER LIST

Guest Presentation

Iowa Area Development Group (IADG) President Bruce Nuzum was introduced. He thanked the Cooperative for its support of the IADG and economic development efforts. He noted that the last year has been a year of transition for the IADG. He reviewed the economic development process; 2022 program priorities; the IADG mission; and organizational changes. He also noted the need for additional training on economic development and the creation of the IADG development academy. He reviewed the project dashboard and noted that there were \$27 million in REDL awards to Iowa this year.

Committee Reports.

It was reported that the Loan Review Committee had met prior to the meeting and reviewed the AWOL/CAMP365 loans. The Borrower had requested a 6-month deferral with no interest or principal payments being due during the deferral. A discussion followed and it was noted that the committee recommended approval of the request, conditioned on receipt of monthly P&L statements. Other lenders are making similar arrangements. The loans would start up with a new amortization schedule following the 6-month deferral. No interest will accrue during the deferral period. Following complete discussion, a motion was made, seconded and carried to approve the recommendation of the committee and grant the Borrower a 6-month deferral starting January 1, 2023, on the two existing loans, conditioned upon receipt of monthly P&L statements.

Following action on this matter, Bruce Nuzum left the meeting at 1:40 p.m.

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 Human Resources. CEO/General Manager Todd offered to answer any questions concerning her report and she also updated the Board on Associated Electric's preparedness for the upcoming cold weather. No construction work is planned, so all systems should be available. She also noted that the Board would begin a review of its Board policies, starting with the next Board meeting. She noted that some additional information had been uploaded into the dropbox for Directors.

(a) Operations

Troy Amoss discussed various operational matters. He discussed load shed procedures and impacts. He also discussed a potential crypto-mining load request near the Riserville substation. A break-in at the Riserville substation was reported and it was noted that NE Power was budgeting for increasing surveillance cameras at the substations. NEP has new surveillance equipment on order; however, it is delayed due to supply-chain issues. Troy shared a letter that is being sent to local Sherriff's departments requesting them to keep an eye out as they patrol near the substations. It was reported that greater communication with property owners/members will be provided in connection with upcoming vegetation management activities. Troy shared a letter that will be going out to members impacted by the upcoming vegetation management. This is a new step being added to the process to increase communication to the members. Information about a train/truck incident at NE Power was provided and questions were asked about the Cooperative's policies regarding vehicles stopping at train crossings.

(b) Economic Development

Tod Faris provided information concerning the planned closure of Hawkeye Molding in Albia and plans for the Honey Creek resort. It was noted that the State has elected to issue an RFP and the Hendersons from Centerville, IA will submit a bid. Directors who are inclined could write a letter of support for the Hendersons.

(c) Other Matters.

It was noted that the IAEC Director Update was scheduled for February 1st and 2nd, with both an in-person and virtual option. The NRECA voting delegate and alternate were discussed and it was agreed that Marchelle Brown would be changed to the delegate and Kenny VandenBerg would be changed to the alternate.

Attorney's Report

A legal report was provided by attorney Puckett. He noted the work he had been doing with the Board and provided an update on the review of the IAEC model tariff by the IUB in dockets involving T.I.P. REC and Maquoketa Valley Electric Cooperative.

Safety Report

A motion was made, seconded, and carried to accept the November 2022 Safety Report and statistics information that 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 November 2022 activities, the Financial and Statistical Report for January through November 2022, various charts, and a cash flow statement, and other materials. TIER was reported as 2.17% and OTIER was 1.85%, which were both higher than the RUS minimum and within policy goals. She reported that revenue was about \$976,000 for November and year to date revenues are about 3% higher than budget. Distribution - operations expenses are about 9.7% above budget for the year to date. November margins reflected a loss of about \$148,000. Total margins for 2022 are expected to be about \$873,000 compared to a budget of about \$924,000, or about 5% below budget. Information was provided concerning the status of the engineer's inspection of completed work orders and the request for advance from RUS. It was reported that a rebate from CFC on the OneCard was received in the amount of about \$2,200 for 2022. The audit engagement letter has been signed with a price reduction of about \$1,450. The updated 2023 budget has been uploaded into dropbox in the 2023 Reference Material. Trudy offered to answer any questions concerning the report. She noted that she was still waiting on the financial forecast from CoBank and the cost of service study is expected to be received in January.

Following discussion, motion was made, seconded and carried to accept the financial report.

Finance Manager Trudy Grade presented the Cooperative's November, 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 November. The motion was seconded, and carried.

Executive Session

Chairman Miller recessed the meeting into executive session at 3:00 p.m. All Directors, attorney Puckett, and Ray Beavers from Great Cooperatives participated in the executive session. Ray Beavers and attorney Puckett were participating remotely. Upon motion duly made, seconded and carried, the executive session adjourned and the meeting resumed in regular session at 4:40 p.m. CEO Leilani Todd, all Directors, staff Nathan Norton and Chelsea Nicholson, and attorney Puckett participated in the resumed meeting.

IT Report

Nathan Norton and Chelsea Nicholson presented a report on IT related matters. They discussed cybersecurity and the Cooperative's disaster recovery plan. Nathan went through the responses to the questions the directors received at the director cyber-security training during the recent IAEC Annual Meeting. Risk oversight and the back-up process were reviewed. The IT plan is continually being updated. Following the presentation, Nathan and Chelsea left the meeting at 5:00 p.m.

Old or Unfinished Business

The Board members provided comments on the training at the IAEC Annual Meeting

New Business

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

NE Power Report

It was noted that the NE Power meeting involved the approval of 5 REDL&G loans; the approval of \$130,000 for line safety demonstrations for staff; and the review of a train/truck accident.

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

A newsletter from the Iowa Institute for Cooperatives was made available to directors.

Open Discussion Items


It was noted that Norm Major had been appointed to serve on the Albia Industrial Development Corp. Board.

Calendar of Events.

The Board packet included a calendar of events and the same was reviewed.

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 5:05 p.m.



Michael Miller, President



Norm Major, Secretary