

CHARITON VALLEY ELECTRIC COOPERATIVE
REGULAR MONTHLY BOARD MEETING

NOVEMBER 30, 2023

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 November 30, 2023, at 12:59 p.m. by President Kenny Vandenberg.

Secretary Norm Major reported all directors were present in person, except Randy Gottschalk who was absent and Wesley Green who was participating remotely. Other attendees included General Manager Troy Amoss; Finance Manager Trudy Grade; Communications Coordinator/Executive Assistant Anna See, Economic Development/Community Relations Manager Tod Faris, HR Coordinator /Administrative Assistant Ashley Tratchel, and Line Superintendent Jared Shaw. The Cooperative's attorney Dennis Puckett 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 October 26, 2023 regular business meeting minutes; and the October 2023 New Member List.

SEE ATTACHED MEMBER LIST

Human Resources Report

Ashley Tratchel updated the board on personnel matters. Following her presentation, Ashley left the meeting.

Operations Report

At this time, Jared Shaw presented the Operations Report. Jared reported on recent outages and provided an update on construction projects, including the status of the work on Northeast Power's Moravia tap project. Following the report, Jared Shaw left the meeting.

Safety Report

The board packet included a safety report. A motion was made, seconded, and carried to accept the October 2023 Safety Report and the statistics information that was included in the board packet.

Economic Development and Community Relations Report

Tod Faris noted that the board packet included an economic development report and he offered to answer any questions concerning the written report. He provided an update on Papo's Pumpkin Patch and their first fall season. He noted that things went generally well, and the company's owners were very appreciative of the Cooperative's assistance through the RLF loan. Attorney Puckett indicated he would provide an update on the Camp 365 loans during his legal report. Following his report, Tod Faris left the meeting.

Member Communications and Engagement Report

The board packet included a written report from Anna See, Communications

Coordinator/Executive Assistant. Anna offered to answer any questions. She provided an update on the Associated Electric Cooperative Inc. member satisfaction survey.

IT/Cyber Security Report

The board packet included a written report from Network Administrator Nathan Norton. He joined the meeting and offered to answer any questions regarding the report. He also discussed the use of the Northeast Power radio network for obtaining some meter reads and issues that arise. He noted efforts being undertaken so the Cooperative will not have to rely on said system. He and General Manager Amoss also provided an update on the occupancy of the communications building by Rise Broadband and the provision of an alternate fiber connection. It was noted that Attorney Puckett will be working on the agreements to document the rights and obligations of the parties. Following the report, Nathan Norton left the meeting.

Finance Report

Finance Manager Trudy Grade presented the financial report, including the following items:

- a) Financial Statements – The board packet included a list of October 2023 activities, financial ratios, revenue, and expense items for the month compared to budget, various charts, and a listing of checks. Trudy Grade noted the income statement reflected a small loss for the month of about \$45,000. Year to date margins were about 1.9% below budget. Equity remains within the guidelines. She reviewed the financial ratios. The monthly checks were reviewed, beginning with check #59225 and ending with check #59283. Following discussion, a motion was made, seconded and carried to approve the financial reports as presented.
- b) Credit Cards – The credit card expenses were reviewed. A motion was made, seconded and carried to approve the Cooperative's credit card and CEO/GM expenses for the month of October.
- c) 2022 Form 990 and 1120 Tax materials – A copy of the Cooperative's form 990 was included in the board packet materials. The compensation reported on said form was noted, including director compensation. The return was reviewed, and questions addressed. It was noted that the return was required to be made publicly available and it will be posted on the Cooperative's website.

CEO/General Manager Report

CEO/General Manager Troy Amoss presented his report to the board. He discussed the Rise Broadband agreement, a new hire, the Northeast Power Moravia tap project and community service work performed by the Cooperative. He noted he had worked on the budget that will be covered later in the meeting. He also updated the board on the use of Purple Wave Auction to sell some larger equipment items. He offered to answer any questions concerning his report.

Old or Unfinished Business

The proposal from Rise Broadband as discussed earlier in the meeting was identified as an action item. Following discussion, a motion was made, seconded and carried to approve the proposal, subject to legal counsel approval of the written agreements.

New Business

- a) Director Expense Report – The Board Expense Report was reviewed. Following review, a motion was made, seconded and carried to approve the report as presented to this meeting.
- b) Board Policies F-101 to F-105 – The board packet included updated Board Policies F-101 through F-105. Proposed revisions to the policies were reviewed by Anna See and Attorney Puckett. Following discussion, a motion was made, seconded and carried to approve the recommended revisions.

SEE ATTACHED POLICIES

- c) 2024 Budget – The 2024 Budget was presented by General Manager Amoss and Finance Manager Trudy Grade. The capital budget was reviewed, totaling \$372,500. General Manager Amoss noted items forecasted to be included may change depending on availability and supply chain issues. The construction budget was reviewed, totaling \$2,038,000. The purchased power costs were reviewed, totaling \$7,136,706. Total operating expenses were \$11,568,491. Total expenses, including depreciation and interest expenses were projected to be \$13,246,628. Total operating revenue was projected at \$13,766,339, creating an operating margin of \$519,711. The total margin, including non-operating items, was budgeted to be \$1,132,836. General manager Amoss noted the printed budget included a cost for the Moravia underbuild at \$43,000 and it is likely to be \$45,000, so that will need to be adjusted. The proposed budget should allow the Cooperative to hold rates steady, even with a Northeast Power rate increase in 2024. Following complete discussion, a motion was made, seconded and carried to approve the budget as presented with the one noted amendment on the Moravia underbuild project.

Following approval of the budget, Trudy Grade left the meeting.

- d) 2024 Welcome Back Reception & Director Training Courses – It was noted the 2024 Legislative Welcome Back Reception will be held on January 9, 2024, and there will be director training opportunities on January 9 and 10, 2024. Anna See noted who will be attending.
- e) Iowa Director Update – The Iowa Association of Electric Cooperatives sponsored Iowa Directors' Update is scheduled for January 31 - February 1, 2024, in West Des Moines. Anna See noted who was interested in attending.
- f) NRECA PowerXchange – The NRECA Annual meeting will be held in San Antonio, Texas March 3-6, 2024. Director Marchelle Brown is the Cooperative's voting delegate for said meeting and she plans to attend. Director John Houser is the alternate and he does not plan to attend.

Legal Report

Attorney Puckett reported on the work that he has done for the Cooperative during the last month and offered to answer any questions. He also provided an update on the Camp 365 loans.

Northeast Power Report

Richard Welsh reported that Northeast Power did not hold a board meeting this past month.

Iowa Association of Electric Cooperatives Report

The board packet included a written report concerning the Iowa Association of Electric Cooperative's (IAEC) activities. Director Vandenberg noted the IAEC Annual Meeting will be held December 7-8, 2023, in West Des Moines.

Iowa Institute for Cooperatives

Director Vandenberg attended the Annual Meeting for the Institute on November 21, 2023. He indicated it was a good meeting with good attendance.

Discussion Items

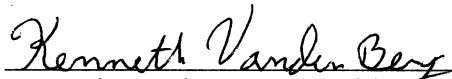
Chairman Vandenberg asked for any additional discussion items. He noted plans for dinner while in West Des Moines for the IAEC Annual Meeting. He also noted the opportunity to make donations for the PAC auction.


Calendar of Events

The board packet included a calendar of events and the same was reviewed. The next board meeting will be held on December 21, 2023 at 1:00 p.m.

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 3:10 p.m.


Kenneth Vandenberg, President


Norm Major, Secretary