

CHARITON VALLEY ELECTRIC COOPERATIVE  
REGULAR MONTHLY BOARD MEETING  
JANUARY 25, 2024

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 January 25, 2024, at 1:08 p.m. by President Kenny VandenBerg.

Secretary Norm Major reported all directors were present, with Director Welsh 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 Trachel; 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, with amendments as proposed by Chairman VandenBerg; the December 21, 2023 regular business meeting minutes; and the December 2023 New Member List.

SEE ATTACHED MEMBER LIST

Executive Session

Chairman VandenBerg recessed the meeting into Executive Session, with all directors and Attorney Puckett present at 1:10 p.m. The meeting resumed in regular session at 1:38 p.m., with all those present as were present prior to the executive session.

Economic Development and Community Relations Report

Economic Development and Community Relations Manager Tod Faris presented the following items:

- a) Southern Pride Meats – Tod Faris noted the board packet included information about a new proposed RLF loan to Southern Pride Meats. The proposed loan would be for \$75,000, accrued interest at 4%, require an administrative fee of 1%, and have a seven (7) year term. The collateral for the loan was proposed as equipment. It was noted that the equipment would be used and would cost \$75,000. It was also noted that no additional collateral was available to be offered. A discussion followed concerning proper collateral for loans and following discussion, a motion was made, seconded and carried to deny the loan request due to the lack of adequate collateral. Attorney Puckett was directed to work with Tod Faris to draft a letter to be sent to the applicant.
  
- b) General Report – An economic development report was included in the board packet and Tod Faris offered to answer any questions concerning the written report. He noted that CVEC and Northeast Power had previously approved economic development loans to Achieva Enterprises d/b/a Honey Creek Resort in the amount of \$200,000 each. Each lender only advanced \$100,000 at the loan closing, with the additional amount available as the project was completed. The borrower has now requested the advance of the remaining \$100,000 from each lender; however, the advance or draw period has expired. A Note and

Loan Modification Agreement has been prepared to extend the draw period through February of 2024 so additional advances can be made. Following discussion, it was agreed upon to grant an extension. Following his report, Tod Faris left the meeting.

#### Human Resources Report

Ashley Tratchel reported on employee related matters, including employee training. Her report noted that employees had spent 237.5 hours volunteering for charitable causes through the end of December 2023. Ashley offered to answer any questions regarding her written report. Following her presentation, Ashley left the meeting.

#### Operations Report

At this time, Line Superintendent Jared Shaw presented the Operations Report. He reported on the recent storms and resulting outages. The use of the website to keep members informed was noted as a helpful tool. General Manager Amoss provided his thoughts about how things went, and the board offered its thanks to the employees for all their hard work during the storms. Following his 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 December 2023 Safety Report and the statistics information that was included in the board packet.

#### Member Communications and Engagement Report

The board packet included a written report from Anna See, Communications Coordinator/Executive Assistant. Comments were shared concerning the successful Christmas party. Anna provided information about director training opportunities and upcoming meetings. The board was interested in the webinar series to be hosted by Teri Wallis. Anna also noted that she had worked on a review of a portion of the Articles of Incorporation, and there were no required changes.

#### IT/Cyber Security Report

The board packet included a written report from Network Administrator Nathan Norton on IT updates. General Manager Amoss asked if there were any questions and there were none.

#### Finance Report

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

- a) Financial Statements – The board packet included a listing of checks for December. Trudy Grade noted the financial statements for December and year end were not yet available, and the Cooperative is still waiting on a firm patronage number from Northeast Power. The monthly checks were reviewed, beginning with check #59343 and ending with check #59406.
- 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 December.

- c) Capital Budget Update – A report of capital plant additions for the year ending December 31, 2023 was reviewed. There was \$534,600 budgeted and \$385,706.28 spent for the year. The board members asked questions about various items in the report.

#### CEO/General Manager Report

CEO/General Manager Troy Amoss presented his report to the board. He provided a report on the status of the Rise Broadband project, the Moravia Tap project, and work done in the communities served by the Cooperative. He also provided an update on the sale of equipment and vehicles through Purple Wave Auction, noting that all three of the recent items sold locally. He noted the Cooperative had a lineman interested in the International Project being sponsored by the Iowa and Minnesota statewide organizations in Guatemala; but there was more interest than slots available and CVEC was not selected. An update was provided on the new phone system. General Manager Amoss also noted he was working on a Tariff update with assistance from the Iowa Association of Electric Cooperatives. The union contract expires at the end of April 2024, and it is anticipated that the union will request to modify the same. The snowstorm event on January 9-10 and the blizzard of January 12-13 was discussed. Information was provided concerning a potential Albia school solar project and the school's application to purchase electric school buses.

#### Old or Unfinished Business

The Chairman asked for any old or unfinished business and there was none.

#### 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) Articles of Incorporation – The board packet included a copy of Articles I through IX of the Articles of Incorporation. Although some clean-up changes would be appropriate, no substantive changes were recommended by legal counsel. Following discussion, a motion was made, seconded and carried to accept the recommendation and not propose any amendments at this time.

#### Northeast Power Director Position

It was noted the term of Director Welsh as one of the Cooperative's representatives on the Northeast Power board was due to expire at NEP's Annual meeting in April. The Northeast Power Bylaws provide that it is up to the local board to nominate a candidate for said position in advance of said meeting. A nomination was made for Director Welsh. A motion was then made, seconded and carried to have nominations cease and Director Welsh be the nominee for the director position at Northeast Power.

#### NRECA International Project

Chairman VandenBerg noted the Iowa Association of Electric Cooperatives was looking for donations to help defray the costs of the international trip to Guatemala. It was noted that the cooperative had donated in prior years. Following discussion, a motion was made, seconded and carried to donate \$1,000 toward said project.

Meeting Dates

Chairman VandenBerg noted the board needed to confirm dates for the board meetings to be held in November and December of 2024. Following discussion, the meetings were set for November 22 and December 27, 2024, both commencing at 1:00 p.m.

Community Contributions

The board packet included a report on community contributions through the fourth quarter of 2023.

Director Training

The board packet included director training reports for the fourth quarter of 2023 and the same were reviewed.

Legal Report

Attorney Puckett reported on the work he has done for the Cooperative during the last month and offered to answer any questions.

Northeast Power Report

Richard Welsh reported on the Northeast Power board meeting and indicated that a strategic planning session was scheduled.

Iowa Association of Electric Cooperatives Report

The board packet included a written report concerning the Iowa Association of Electric Cooperative's (IAEC) board meeting held January 4, 2024. Director VandenBerg offered to answer any questions concerning the report. He also reported on the IAEC Welcome Back Legislative Reception and the statewide's executive search plans.

Iowa Institute for Cooperatives Report

Director VandenBerg noted the last meeting for the Iowa Institute for Cooperatives was held virtually in light of inclement weather. He noted that Dave Holm, Iowa Institute for Cooperative's CEO, had announced he will be retiring at the end of 2024.

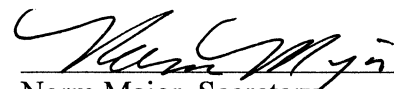
Calendar of Events

The board packet included a calendar of events and the same was reviewed. It was noted the cooperative's capitol visit was set for February 6, 2024. REC Day on the Hill is scheduled for March 12, 2024, with director training available on December 13. The next board meeting will be held on February 27, 2024 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 3:15 p.m.

  
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Kenneth VandenBerg, President

  
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Norm Major, Secretary