

CHARITON VALLEY ELECTRIC COOPERATIVE
REGULAR MONTHLY BOARD MEETING
MARCH 31, 2025

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 March 31, 2025, at 1:00 p.m., by President Kenny VandenBerg.

Secretary Norm Major reported all directors were present in person. Other attendees included General Manager Troy Amoss, Finance Manager Trudy Grade, Human Resources Coordinator/Administrative Assistant Ashley Duley, Line Superintendent Jared Shaw and Communications Coordinator/Executive Assistant Anna See. Attorney Dennis L. Puckett of Sullivan & Ward, P.C. participated remotely. Special guest Brian Allen of Homestead Advisors participated remotely.

Homestead Advisors Presentation

Brian Allen, National Relationship Manager for Homestead Advisors, introduced himself and provided a brief overview of the Cooperative's investment history with Homestead Funds. He explained that in 2022, the Cooperative transitioned cash holdings from certificates of deposit to Homestead Funds in an effort to achieve higher returns.

At that time, the Board of Directors opted to invest solely in fixed-income mutual funds rather than a mix of equities and bonds. Since the initial investment, the allocation strategy has remained unchanged. The invested funds are fully liquid.

Mr. Allen shared background information on Homestead Funds, noting it is a subsidiary of the National Rural Electric Cooperative Association (NRECA). He then provided an update on the current economic landscape and investment outlook. While the selected bond fund has not experienced significant capital growth, it has yielded consistent dividends. As of December 31, 2022, the account balance was \$208,744.96. As of March 21, 2025, the balance had increased to \$231,806.05, reflecting an approximate 8% return.

Board members were given the opportunity to ask questions throughout the presentation. It was recommended that another investment update be scheduled in approximately six months. Following the discussion, Mr. Allen exited the meeting.

Consent Agenda

The Board reviewed the items included in the consent agenda. A motion was made, seconded and carried to approve the meeting agenda, the minutes of the regular business meeting held on February 27, 2025, and the New Member List for February 2025.

SEE ATTACHED MEMBER LIST

Human Resources Report

The board packet included a Human Resources Report. Human Resources Coordinator/Administrative Assistant Ashley Duley was present to address any questions from the Board.

She noted that rebate activity was slow during the month of February. She also provided an update on recent employee training initiatives and efforts to promote the Cooperative's summer internship program.

Additionally, Ashley informed the Board that the IAEC Health Care Trust currently has an open Trustee position for the Cooperative's district. Board members interested in the position were encouraged to notify the Cooperative.

Operations Report

Line Superintendent Jared Shaw presented the Operations Report to the Board. He reported that there were three unplanned outages during the month of February.

Jared also provided an update on the Cooperative's construction work plan, noting that crews are currently completing underground inspections in the Rizerville and Trail Substation areas.

Safety Report

The Board reviewed the Safety Report and accompanying statistics included in the board packet. A motion was made, seconded and carried to accept the February 2025 Safety Report as presented.

Member Communications and Engagement Report

The board packet included a written report from Anna See, Communications Coordinator/Executive Assistant. Anna highlighted the upcoming Northeast Power Annual Meeting, scheduled for April 3, 2025.

She also announced that Cassidy Thompson and Logan Ostermeyer, both students at Albia Community Schools, were selected to represent the Cooperative on the 2025 NRECA Youth Tour.

It was noted that the terms of Directors Brown, Durian and VandenBerg will expire at this year's annual meeting. Director Durian indicated that he will not seek re-election.

Additionally, the Board was updated on Operation Round Up® activities. Eight applications for donations have been received for the first quarter of 2025.

IT/Cyber Security Report

The Board reviewed a written report from Network Administrator Nathan Norton on IT updates, which was included in the board packet. General manager Amoss noted that staff was available to join the meeting to address any questions, no questions were raised by the Board.

Finance Report

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

- a) Financial Statements – February 2025 – Trudy reviewed the February 2025 financial statements and the year-to-date reports. She noted that February was a strong month, with margins totaling approximately \$165,000, which is about 27% above budget. All financial ratios met lender requirements.

She also reported that she is nearing completion of the work plan tasks.

During the discussion of the MDSC ratio, Trudy explained that the ratio is currently outside the policy range due to the shorter-term selection on a CoBank note. Once that note is paid off, the ratio is expected to return within the policy range.

Following the discussion, a motion was made, seconded and carried to approve the February 2025 financial statements as presented.

- b) Check Register – The board packet included the check register for checks numbered 60213 through 60248. Trudy Grade offered to address any questions regarding the check payments, but none were raised.
- c) Credit Cards – The Board reviewed the credit card expenses for the month. A motion was made, seconded and carried to approve the Cooperative's credit card expenses and the CEO/GM expenses for February 2025.
- d) RUS Form 7 – The board packet included a copy of the RUS Form 7. Trudy Grade offered to address any questions regarding the report, but none were raised.

CEO/General Manager Report

CEO/General Manager Amoss presented his report on February 2025 activities. He noted that there was minimal donation work during the month. Additionally, there had been very little response to the rate increase notice.

There were no new safety suggestions at the safety meeting this month.

Amoss reported that Truck #10 was sold at auction for \$51,000, resulting in a loss of approximately \$35,000. The new replacement for Truck #10 is expected to arrive in a few weeks. He also provided an update on Truck #2, which has recently experienced several issues and is scheduled for replacement in 2026.

Regarding recent storm events, Amoss explained that the March 5, 2025 storm caused one broken pole and a tree to fall onto an unused pole attachment. The storm on March 14, 2025 resulted in damage to ITC Midwest facilities, leading to outages for the Cooperative. A discussion followed on the response to these storms, particularly regarding procedures for handling incoming phone calls during such events.

Amoss also shared highlights from the recent visit to the State Capitol, calling the communication with legislators both productive and beneficial. He concluded by emphasizing the importance of unity within the Cooperative and the need to foster it on a daily basis.

Old or Unfinished Business

The Chairman called for any old or unfinished business. There was none brought forward for discussion.

At this time, Ashley Duley, Trudy Grade and Jared Shaw left the meeting.

New Business

- a) Director Expense Report – The Board Expense Report was reviewed. Following the review, a motion was made, seconded and carried to approve the report as presented.
- b) Lineman Appreciation Day – It was noted that NRECA observes Lineman Appreciation Day on April 14. The Board also reviewed plans to provide breakfast for the line crews in recognition of the occasion, as well as for the inside staff in observance of Administrative Professionals Day held on April 23.

Executive Session

The Chairman asked if there was a need to recess into executive session. No such need was identified.

Legal Report

It was noted that the attorney legal report was included in the additional reading materials provided in the board packet. Attorney Puckett reviewed the report and briefed the Board on recent developments, including an explanation of demand response aggregators and a new Notice of Inquiry docket opened by the Iowa Utilities Commission.

He also provided an updated on the Camp 365 collection efforts, reporting that Kevin McGregor failed to appear for his judgment debtor's exam.

Director Reports

The board packet included written reports from Northeast Power and the Iowa Association of Electric Cooperatives. It was noted that Northeast Power had taken action to issue a letter of appreciation to Director Norm Major in recognition of his service on their Board.

Board members were given an opportunity to ask questions regarding the reports. Directors who participated in NRECA's PowerXchange and REC Day on the Hill shared comments and insights from those events.

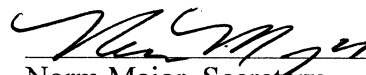
Calendar of Events

The Board reviewed the upcoming schedule of meetings and events. The next regular board meeting is scheduled for April 24, 2025, 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 3:40 p.m.


Kenneth VandenBerg, President


Norm Major, Secretary