

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS
OF EASTERN IOWA LIGHT AND POWER COOPERATIVE
HELD AT THE OFFICE IN WILTON, IOWA

April 26, 2023

President Tom Hotz called the meeting to order at 9:08 a.m. in the Cooperative training room.

Secretary Purdy provided the roll call. The following directors were present:

Henry Bentley	Glenn McCulloh
Mike Bixler	Michael Moes
Joel Carstensen	Kurt Olson
Allan Duffe	Bill Petersen
Dan Heater	Ken Purdy
Tom Hotz	Mike Shuger
Gary Kester	Kathy Wunderlich

Absent: Ron Stover

Joining the meeting were CEO Kirk Trede, Staff David Zorich, Don Roth, Michelle Walker, Tim Iossi, Dennis Hill, Lance Kephart, Brian Schoer and Mark Elder, Communications Director Jim Williams and Executive Assistant Erin DeLong.

A motion was made and seconded to approve the agenda as emailed. Motion carried.

Minutes of the March 30, 2023, regular board meeting were provided for the directors to review. A motion was made and seconded to approve the minutes with no comments or corrections. Motion carried.

A motion was made and seconded to approve Resolution No. 1 accepting new members. Motion carried.

Director Purdy reported the questions from the financial review committee were answered satisfactorily for the month of March.

President Hotz called on Division Manager of Accounting David Zorich to give the financial report for month ending March 31, 2023. The report was accepted after questions were asked and answered satisfactorily. Mr. Zorich was excused from the meeting and joined virtually.

CEO Trede gave his management reports: Responsibility Operating and Maintenance versus Budget Status Report; Monthly Safety Report; Outage Summary Reports; Marketing Summary; and Major Construction Report. The reports were accepted with no corrections.

The following director reports were given on attended meetings: Director Kester reported on the CIPCO Board and Chairperson Duffe reported on the Policy Committee. Directors shared feedback on Iowa Attorney General Brenna Bird's visit to the Wilton headquarters March 31. CEO Trede reported on the IAEC Managers' Spring Conference. Directors Bixler, Kester, Wunderlich and CEO Trede provided information from the NRECA Spring Legislative Conference held April 16-19.

Mr. Zorich returned to the meeting to discuss the 2022 margin allocation and retirement of deferred patronage. Mr. Zorich presented options to allocate 2022 margins to members. Once the options were reviewed, a motion was made and seconded to adopt Resolution No. 3 approving the allocation of margins from 2022 and the retirement of patronage in 2023 as follows: \$29,473 of CIPCO patronage be allocated to the City of Wilton Municipal Utility; no amount allocated to statutory capital; \$1,275,000 allocated to contingency reserve; and the remaining net margins of \$2,679,712 be allocated to a revolving fund and credited to the account of each member ratable in proportion to the business done with the Cooperative during 2022.

The motion also included retiring patronage in the following amounts: 2022 allocated CIPCO patronage of \$14,736 will be retired first; remaining amount of 2007 deferred patronage (\$419,855 as of March 31, 2023) will be paid second; difference between \$2,078,303 and the amount paid on the 2007 deferred patronage will be applied to 2008 deferred patronage (\$1,658,4477 as of March 31, 2023) will be paid third; and fourth, \$625,000 shall be paid on the allocated net margins for 2022. Retirement of patronage will be as bill credits to the extent possible. Motion carried. Mr. Zorich was excused and joined the meeting virtually.

Don Roth, Division Manager of Member Relations, presented electric rate options for the cooperative's level 2 electric vehicle chargers. A motion was made and seconded to approve a time-of-use energy charge rate of on-peak, 4:00 p.m.-9:00 p.m., at \$0.46600 and off-peak, at \$0.20200. Motion carried. Mr. Roth was excused and joined the meeting virtually.

Mark Elder, Division Manager of Operations, shared equipment updates. A motion was made to allow a variance in budget to purchase a new track unit and fix the existing basket truck. Motion seconded and carried. Mr. Elder was excused and joined the meeting virtually.

Luke Greden, Audit Manager, from CliftonLarsonAllen LLP, joined the meeting and presented the Cooperative's annual audit report. A solid financial standing was reported. Directors were provided the audit governance letter, audit internal control letter and full audit report from CliftonLarsonAllen LLP. After discussion and questions, a motion was made, seconded, and carried to approve Resolution No. 2 accepting the audit report. Mr. Greden was excused from the meeting.

The meeting recessed for lunch at 11:58 a.m. and reconvened to regular session at 12:38 p.m.

Ms. Walker entered and reported a 3% increase for the general insurance renewal with Federated Rural Electric Insurance Exchange, for the 2023-2024 fiscal year. Ms. Walker was excused and joined the meeting virtually.

CEO. Trede reviewed a summary of capital expenditures completed in the first quarter of 2023.

CEO Trede and Directors Bentley, Bixler, Duffe, Hotz, McCulloh, Moes, Olson and Wunderlich have been registered for the CFC 2023 Forum in Seattle, WA from June 19-21. Director Kester plans to attend as a CIPCO director. President Hotz read the expenses allowed as set by the executive committee for the 2023 CFC Forum.

A letter was received by the Cooperative, from CFC, seeking contributions to the Cooperative System Integrity Fund. The directors discussed this request and chose not to contribute at this time.

The winners of the 2023 Cooperative scholarships were announced and a sign-up sheet was circulated for the senior awards' ceremonies. Directors were encouraged to volunteer to attend and present the winners with their certificate. Winners will be formally announced at the 2023 district meetings and scholarship checks mailed this summer.

Nomination petitions for a three-year director term were due April 3. The current directors up for re-election this year are District 1 – Joel Carstensen; District 2 – Mike Bixler; District 3 – Mike Shuger; District 4 – Dan Heater; and District 5 – Ron Stover. All current board members up for re-election, except Directors Dan Heater and Ron Stover, submitted nomination papers. The following members submitted nomination papers, District 3: Gary Bruns; District 4: Terry Philips and Robert Schneider Jr.; District 5: Bradley Weiss.

Discussion was held regarding plans for the 2023 Annual Meeting. A motion was made and seconded to reserve Jeff's Market as the food vendor, and to contribute \$1,000 to a local pork producer for their assistance serving the meal. A list of speakers and entertainers was provided for review, Tim Cavanagh was selected as the speaker

and John Bush as the alternate. For entertainment, piped music will be played in the various buildings used.

The meeting went into executive session at 12:57 p.m. and reconvened to regular session at 1:19 p.m. As there was no further business to come before the Board, a motion was made and seconded to adjourn the meeting. Motion carried.



President



Secretary