

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

January 26, 2023

President Tom Hotz called the meeting to order at 9:03 a.m. in the Cooperative training room.

He asked Secretary Purdy to give the roll call. The following directors were present:

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| 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

Also present at 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.

The minutes of the December 16, 2022 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 McCulloh reported the financial review committee's questions were answered satisfactorily for the month of December.

President Hotz called on Division Manager of Accounting David Zorich to give the financial report for month ending December 31, 2022. The report was accepted after questions were asked and answered satisfactorily. Mr. Zorich was excused from the meeting.

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. CEO Trede shared information from the CEO Close-Up and NISC Board Meeting & Strategic Planning session. Several Directors reported on the IAEC Welcome Back Reception and NRECA CCD and BLC courses.

The following upcoming meetings were noted by President Hotz: Annual Awards Banquet will be held January 28 in Muscatine; IAEC Director's Update will take place Feb. 1-2 in West Des Moines; NRECA Directors Conference is in Kansas City Feb. 6-7; IA Institute for Cooperatives 2023 Board Presidents' Conference in Ankeny will take place February 15; Eastern's Day on the Hill is February 21 in Des Moines; Eastern's next board meeting is February 23.

Mr. Zorich stated the Cooperative annually sets a discount rate on patronage to be used in the settlement of estates. Management analyzes the value of investment opportunities available to the average investor at a term of five years or greater. After

this evaluation, Management recommends the discount rate in 2023 be set at 3.0%. A motion was made, seconded and carried to adopt Resolution No. 2, settlement of estates on a discounted basis for 2023 be set at 3.0%.

Mr. Zorich reported Management recommends the interest rate to be applied to consumer deposits for 2023 at 0.12%. The calculation to determine this interest rate uses short term savings accounts as the basis for investment. A motion was made, seconded and carried to adopt Resolution No. 3, setting the interest rate on consumer deposits for 2023 at 0.12%.

The expense recaps for 2022 were included with the agenda for review: Director Expenses, Special Account #999, CEO's Expenses, MasterCard Expenses; and U.S. Bank Charges.

David Zorich then reported CIPCO made their patronage allocation for 2022. This is based on CIPCO Management's recommendation to the CIPCO board and is subject to final board approval. CIPCO staff are recommending an allocation of \$4 million to its members. Eastern's share is 20.3% for a total of \$812,357.92. The 2022 allocation has been made with multiple terms: \$406,178.96 will be paid on a current basis (distributed in the spring of 2023 upon CIPCO Board Approval) and \$406,178.96 will be paid on a 15-year roll.

The Iowa Institute for Cooperatives Board Presidents' Conference will be held February 15 in Ankeny. President Hotz has been registered; expenses allowed were set by the Executive Committee.

Eastern's Day on the Hill will take place February 21 in Des Moines. Expenses allowed were set by the Executive Committee.

The NRECA PowerXchange will take place March 5-8 in Nashville, TN. Director Heater and CEO Trede will attend, along with Director Kester as a CIPCO Director. Expenses allowed were set by Executive Committee.

Director Stover has been registered for the CoBank Central Customer Meeting to be held March 13-14 in Normal, IL. The Executive Committee set the expenses allowed.

IAEC REC Day on the Hill is March 15, several directors plan to attend. Director Bentley also plans to attend an NRECA CCD course on March 16. President Hotz noted expenses allowed have been set by the Executive Committee.

CIPCO's Annual Meeting will be held on March 28-29 at the Meadows Events & Conference Center. All directors except Dan Heater and Ron Stover will be registered to attend. The Executive Committee set the expenses allowed.

NRECA's 2023 Legislative Conference is April 16-19 in Washington D.C. Several directors would like to attend the legislative conference in the fall, Directors Bixler and Wunderlich plan to attend in the spring.

Discussion was held regarding the 2023 district meetings. It was determined the meetings will be held in a drive-in format; the same format used since 2020.

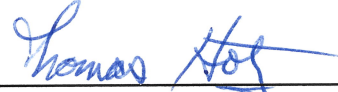
CEO Trede reviewed the fourth quarter report of the 2022 Capital Budget Expenditures. The report listed purchases made to date and a comparison of actual versus budgeted amounts.

The meeting recessed for lunch at 11:47 a.m. and reconvened to regular session at 12:34 p.m.


CEO Trede reported the Revolving Loan Committee is comprised of five Eastern directors and one member from the community. Grant Lilienthal from DeWitt Bank and Trust's Wilton office serves as the community member on the committee. A motion was made, seconded and carried to retain the directors currently serving on this committee, Directors Carstensen, Moes, Purdy, Shuger and Wunderlich, in addition to Grant Lilienthal.

Mr. Trede provided an update on the 2023 Strategic Plan.

The meeting went into executive session at 1:19 p.m. and reconvened to regular session at 2:04 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