

WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, July 18, 2024

The regular meeting of the Board of Directors of Whetstone Valley Electric Cooperative, Inc. was held on Thursday, July, 18, 2024 commencing at 8:00 AM at the Whetstone Valley Electric Headquarters.

The meeting was called to order by President, Joel Adler who presided and Secretary, Matt Cameron, acted as Secretary.

Directors Present: Joel Adler, Matt Cameron, Scott Niedert, Krista Atyeo-Gortmaker, Bill Tostenson (Remote), Tom Berens (Remote), Paul Nelson, Dave Behrns, Wayne Jarman,

Directors Absent:

Staff Present: Page, Weber, Christensen, Anderson

Others Present: Brady Cross, Eide Bailey for Auditor's Report. Shaurice Mooreman, PSE for the Cost of Service and Rate Study Presentation.

Review and Consideration of Agenda

- A motion to approve the agenda was seconded and carried.

Review and Consideration of Minutes

- A motion to approve the minutes of the regular meeting of June 20, 2024 was seconded and carried.

Review and Consideration of estate and special capital credit retirements:

- A motion to approve the estate and special capital credit retirements was seconded and carried.

General reports available for review included the Loss Control Report, Check Listing, Credit Card statement, Cash Flow, Cyber Summary and Capitalized Construction Work Projects.

Management Reports

Operations Manager, Jon Christensen submitted a written and oral report. Jon discussed what the crews have been doing and that pole testers, OCR, testers and Larsen Digging are here. He touched on the CAT process and how it is going. Jon reported on some things David Smith as discovered and the Meter testing process. Jon touched on Verizon metering issues. He covered recent outages and attending the ER MAC as well.

Member Services Manager, Mark Weber submitted a written report of current activities and financials of the service and contracting department. He reported on remedial actions to power quality indicators discovered by the meter technician. Mark also discussed member requests for assistance and power quality testing for issues reported by members.

Office Manager, Bridget Anderson submitted a written report of the office services activities. Her report included the second quarter operating budget to actual comparison. Bridget also discussed the year-to-date revenue compared to budgeted and the remaining deferred revenue amount. She also reported on a planned draw on the RUS loan for capital construction expense reimbursement.

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General Manager Report

General Manager, Page submitted a written report. He discussed current and year-to-date energy sales, noting that while commercial sales have been increasing, overall sales are off from the previous year. He reported that two members had asked about interconnecting solar arrays. Page also reported that Basin is projecting a revenue shortfall in 2025 and is therefore anticipating an increase in wholesale power rates. He discussed the upcoming Basin Members Meeting where further discussions with members are likely.

Audit Report:

Brady Cross of Eide Bailey presented the Auditor's report noting a clean audit with no major findings. Cross also noted continued improvement in the inventory control testing.

East River Behrns reported on East River activity.

SDREA Tostenson submitted the SDREA President, General Manager, and Legal reports from June.

Cost of Service and Rate Study Presentation

Shaurice Mooreman of Power System Engineering (PSE) presented the cost of service study findings. The presentation included; a revenue requirements analysis, rate base method comparisons, and cost of service summary. The report detailed the allocated cost and recovery for each class of service. Shaurice discussed the rate design process, factors and objectives.

The study found that an increase will be needed to recover the cost of providing service. Multiple rate design options were presented for consideration. No action was taken.

- Policy 20-13 was reviewed.
- A motion to adopt revisions to policy 20-13 as presented was seconded and carried.
- Directors Tostenson and Adler were nominated as delegate and alternate for the Basin Annual Meeting.
- Directors Cameron and Atyeo-Gortmaker were nominated as delegate and alternate for the NRECA Region 6 meeting.
- The Board reviewed and discussed the governance topic regarding appraising and compensating the CEO.

Executive Session:

At 9:20 a motion to enter executive session was seconded and carried.

At 9:34 a motion to exit executive session was seconded and carried.

Resolution for Next Regular Board Meeting:

- A motion to set the next regular board meeting for Thursday, August 22, 2024 at 8:00 AM at the Cooperative Headquarters was made, seconded and carried.

Adjournment:

- A motion to adjourn was made, seconded and carried.

President

Secretary