

WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
Monday, August 19, 2024

The regular meeting of the Board of Directors of Whetstone Valley Electric Cooperative, Inc. was held on Monday, August, 19, 2024 commencing at 8:04 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, Tom Berens, Paul Nelson, Dave Behrns, Wayne Jarman,

Executive Session: At 8:05 am a motion to enter executive session was seconded and carried.
At 9:55 am a motion to exit executive session was seconded and carried.

Staff Present: Page, Weber, Christensen, Anderson joined the meeting following the executive session.

Others Present:

None

Review and Consideration of Agenda

- A motion to approve the agenda with correction of the date of the special meeting on August 8th was seconded and carried.

Review and Consideration of Minutes

- A motion to approve the minutes of the regular meeting of July 18, 2024 with the correction that Ms. Moorman joined remotely, was seconded and carried.
- A motion to approve the minutes of the special meeting of August 8, 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 reported on the OCR and Pole Testing procedures. He reported on outages caused by farm equipment and an excavator contacting power lines. Jon discussed the 2025 budget needs and long lead times of equipment. He also reported on East River's progress of the new load control system.

Member Services Manager, Mark Weber submitted a written report of current activities and financials of the service and contracting department. He discussed members interest in solar array systems and load control systems.

Office Manager, Bridget Anderson submitted a written report of the office services activities and financials. Her report included the an updated budget vs actual comparison for both the capital and operating budgets. With the exception of electric plant, all capital items have been purchased for the line department, member services and admin except for a 12 port switch. The only item that we have spent any money on for the headquarters is the workstations for Member Services. Operating revenue and expense are both underbudget and margins are less than budgeted but we do have \$323k in deferred revenue left to use.

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General Manager Report

General Manager, Page submitted a written report. He discussed energy sales, financial ratios and margins. He also reported on legislative events. Page provided a brief history of Basin Electric and DGC and the synergy of the companies. He highlighted that the average inflation rate for electricity over the past 25 years is lower than the overall average inflation rate. He also discussed national, regional and local retail electric prices. Page reported that WVEC's 2025 rate adjustment will depend on wholesale power costs that are yet to be determined by suppliers.

Association Meeting Reports:

East River Behrns reported on East River activity. He discussed changes on the Board of Directors, strong year-to-date revenues, and significant growth in load and capital expenditures.

SDREA Tostenson reported on SDREA activity. He also discussed personnel changes at SDREA.

Committee

Reports:

Other Business:

- Tostenson and Cameron were selected as voting delegate and alternate respectively for the NRUCFC District 6 meeting.

- The Board reviewed and discussed the governance topic regarding artificial intelligence and the cooperative.

- After a discussion, the Board reached a consensus not to purchase land for a pole yard and buildings. Instead, the Board directed the building committee and management to obtain bids for refurbishing the existing pole yard and to seek bids for rental storage for equipment.

Executive Session:

At 1:03 pm a motion to enter executive session was seconded and carried.

At 1:31 pm 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, September 19, 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