

WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, October 24, 2024

The regular meeting of the Board of Directors of Whetstone Valley Electric Cooperative, Inc. was held on Thursday, October, 24, 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 Director , Wayne Jarman, acted as Secretary.

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

Directors Absent: Matt Cameron,

Staff Present: Page, Weber, Christensen, Anderson

Others Present:

Review and Consideration of Agenda

- A motion to approve the agenda with the addition of consideration of the minutes of the special board meeting held September 23, 2024 was seconded and carried.

Review and Consideration of Minutes

- A motion to approve the minutes of the regular meeting of September 19, 2024 was seconded and carried.
- A motion to approve the minutes of the regular meeting of September 23, 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 including a major burial project, normal Work Plan projects, new services, and meter testing. Jon went into some detail on a possible expansion at a key accounts location as well. He covered some fleet issues as well. Jon reported on his yearly fall Operations manager meeting and talked about his tour to a crypto mining facility. Jon presented key construction work projects slated for 2025 and requested the early approval of the 2025 Construction capital budget so material could get ordered.

Member Services Manager, Mark Weber submitted a written report of current activities and financials of the service and contracting department. He reported that demand for contracting services remains strong. Mark reported that his team supported several members with concerns about high energy usage and general electrical inquiries. He successfully assisted four members in obtaining rebates for irrigation controllers and addressed member questions about the interconnection of solar arrays.

Office Manager, Bridget Anderson submitted a written report of the office services activities and financials. Her report included a budget to actual comparison through the third quarter of 2024. She reported that all of the deferred revenue has been pulled into the YTD Financials. Total revenue is coming in 1% over budget and total cost of electric service is flat to budget. Current Margins are over budget, if that remains through 2024 we can pull the deferred revenue out. The financials support that the cooperative is financially healthy and strong. Bridget also discussed the benefits of the Employee Assistance Program.

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General Manager Report

General Manager, Page submitted a written report. He discussed current and year-to-date energy sales. Page presented several key financial ratios, noting that they have remained relatively stable over the past 10 years. He reported on the ongoing budget process for 2025, noting that actual power cost increases will become available in November following the East River Board Meeting. Page provided Basin Electric's latest financial summary showing stronger than expected margins. Page also discussed a member's REED loan application.

Association Meeting Reports:

East River Behrns reported on East River financials and construction activity.

SDREA Tostenson reported on SDREA staffing changes and the review of the association resolutions. He noted that Manager Barnett will become part of the active lobby group for SDREA.

Committee

Reports: No Committee reports presented.

Other Business:

- After a discussion, a motion to approve the REED loan application by Letze Lodge Park B&B was seconded and carried.
- The Board reviewed and discussed proposed policy 40-19 addressing metering and billing error adjustments.
- A motion to approve policy 40-19 addressing metering and billing error adjustments as attached was seconded and carried.
- Directors Nelson and Jarman were selected as voting delegate and alternate for the Mid-West Electric Consumers Association annual meeting.
- A motion to set the date and location of the 2025 annual membership meeting for March 27, 2025, at the Milbank high school gymnasium was seconded and carried.
- The preliminary Capital Budget including specific line construction projects was presented by management staff.

Executive Session:

At 11:23 a motion to enter executive session was seconded and carried.

At 12:30 a motion to exit executive session was seconded and carried.

- A motion to approve the 2025 utility plant construction budget of \$2,197,550 for the purpose of ordering material with long lead times was seconded and carried.
- The Board reviewed and discussed the governance topic regarding transparency within the cooperative.

Resolution for Next Regular Board Meeting:

- The next regular board meeting was set for Thursday, November 21, 2024 at 8:00 AM at the Cooperative Headquarters .

Adjournment:

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

President

Secretary