

**WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.**  
**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**Thursday, November 21, 2024**

The regular meeting of the Board of Directors of Whetstone Valley Electric Cooperative, Inc. was held on Thursday, November, 21, 2024 commencing at 8:03 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,

**Directors Absent:**

**Staff Present:** Page, Weber, Christensen, Anderson

**Others Present:**

**Review and Consideration of Agenda**

- A motion to approve the agenda with the removal of item #4 was seconded and carried.

**Executive Session:**

At 8:04 AM a motion to enter executive session was seconded and carried.

At 8:20 AM a motion to exit executive session was seconded and carried.

**Review and Consideration of Minutes**

- A motion to approve the minutes of the regular meeting of October 24, 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**

The Board reviewed and discussed general reports including the Loss Control Report, Check Listing, Credit Card statement, Cash Flow, Cybersecurity Summary and Capitalized Construction Work Orders.

**Management Reports**

**Operations Manager, Jon Christensen** submitted a written and oral report. Jon discussed the completion of Barker Hills service additions. He also discussed a possible agri-business expansion in our service territory. He updated the board on fleet issues from last month and a maintenance issue with the Plow. Jon highlighted the benefits of the advanced metering system, noting its role in dispatching crews during a recent outage before any member calls were received.

In a detailed presentation, Jon explained the methodology for deriving construction capital budget amounts. He outlined the process from the ordering of materials through the Work Order system to the unitization of assets, which ultimately forms the basis for calculating Work Plan costs and budget projections. Jon also discussed dynamic factors impacting budgets and recommended board approval for purchasing additional wire to meet increased member service requests in the upcoming year.

**Member Services Manager, Mark Weber** submitted a written report of current activities and financials of the service and contracting department. He discussed assisting members with electrical wiring and HVAC inquiries. His team conducted an energy audit to address a member's concerns about high energy usage. Additionally, he shared that one member is preparing to install a solar photovoltaic (PV) system, while several other members have expressed interest in potential solar projects. Mark also provided an update on the status of ongoing contracting jobs and outlined plans for upcoming projects

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**Office Manager, Bridget Anderson** submitted a written report of the office services activities and financials. Her report depicted the operating margins for 2024, including Jan - Oct actual margins and budgeted margins for Nov and Dec. The operating margins include the \$400k in deferred revenue. Her report also included information about the upcoming open house and the 2025 Basin Tour. Bridget also gave a brief overview of the draft operating budget.

**General Manager Report**

**General Manager, Page** submitted a written report and provided an overview of current and year-to-date energy sales, noting that sales are within 1% of the budget. He outlined projections for the 2025 cost of power, other operating expenses, and an anticipated revenue shortfall under current rates. The budget and cost-of-service study indicate a need for an overall annual revenue increase of 7% in 2025 to address the shortfall. He also presented historical data on key statistical and financial ratios, including Plant Growth, Operating TIER, and Equity. Page emphasized that the recommended 7% revenue adjustment is intended to achieve a target Operating TIER of 1.6.

Page shared highlights from a recent Town Hall meeting with NRECA CEO Jim Matheson, where topics included the EPA power plant rule, direct pay tax credits, the Lower Snake River dams, and wildfire mitigation efforts. Additionally, he discussed potential load growth opportunities with a company considering operations within the cooperative's service territory.

**Association Meeting Reports:**

**East River** Behrns reported on East River activity including a power billing adjustment, projected rate increases in 2025 and 2026. He also reported on FERC's denial of Basin's large load rates.

**SDREA** Tostenson reported on SDREA activity including reviews of the bylaws and resolutions. He also discussed the upcoming SDREA annual meeting scheduled for January 16 - 17, 2025.

**Committee Reports:**

**Action Items and Other Business:**

- Tostenson and Nelson were selected as delegate and alternate for the SDREA annual meeting.
- A motion to approve the 2025 updated load forecast as presented was seconded and carried.

The updated capital budget was presented by management staff.

**Executive Session:**

At 11:25 AM a motion to enter executive session was seconded and carried.

At 12:21 PM a motion to exit executive session was seconded and carried.

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- A motion was made and seconded to approve the 2025 capital budget as presented by management. During the discussion, the following actions were taken:
  - a. Motion to Amend the 2025 Line Construction Capital Budget**  
A motion was made and seconded to amend the 2025 Line Construction capital budget to add \$231,000 for 9 more reels of wire and additional 3-phase services. The motion passed.
  - b. Motion to Transfer the Budgeted Server-Room Air Conditioner**  
A motion was made and seconded to transfer the budgeted server-room air conditioner from the headquarters section of the budget to the administrative section. The motion passed.
  - c. Motion to Approve the Amended 2025 Capital Budget with an Exception**  
A motion was made and seconded to approve the amended 2025 capital budget with the exception of the Headquarters section, which will remain a draft for further consideration. The motion passed.  
When the original motion to approve the 2025 capital budget, as initially presented, was called for a vote, no votes were cast. Therefore, the original motion failed.
- A motion to table the Governance and Round Table discussion agenda items was seconded and carried.
- A motion was made and seconded to approve a revenue increase of 8%, effective February 1, 2025, resulting in a 7.2% increase for the calendar year 2025. After discussion, the motion passed.
- The Board reviewed the upcoming association events.

**Resolution for Next Regular Board Meeting:**

- The next regular board meeting was set for Thursday, December 19, 2024 at 8:00 AM at the Cooperative Headquarters .

**Adjournment:**

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

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President

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Secretary