

WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, May 21, 2026

The regular meeting of the Board of Directors of Whetstone Valley Electric Cooperative, Inc. was held on Thursday, May, 21, 2026 commencing at 8:15 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, Krista Atyeo-Gortmaker, Tom Berens, Paul Nelson, Dave Behrns, Wayne Jarman, Paul Tostenson - virtual,

Directors Absent: Scott Niedert,

Staff Present: Page, Anderson

Others Present:

Review and Consideration of Agenda

- A motion and second was made to approve the agenda . The motion passed.

Review and Consideration of Minutes

- A motion to approve the minutes of the regular meeting of April 23, 2026 was seconded and carried.
- A motion to approve the minutes of the reorganizational meeting held March 26 and April 23 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.

General Manager Report

General Manager Page provided a written and oral report including. He reported that April 2026 energy sales met budget projections, while year-to-date sales remained approximately 1% below budget.

He discussed the cooperative's revenue requirements and recommended a total annual rate increase of 15.8% due to flattening sales and added debt from the recent property acquisition. Page reviewed several June 1st rate adjustment options that maintain the current demand charge while varying facility charge increases. He also recommended the Board consider in the future, implementation of a monthly demand billing component for all services to better align cost recovery with system demand. Page additionally discussed East River's sales volumes and Basin Electric's strong margins driven by higher commodity prices and lower operating costs. Manager Page reported that Pikes Construction anticipates beginning demolition of the motel structure in the near future. During a discussion with the Board, questions were raised by Anderson and Page regarding the potential presence of asbestos. The President stated that the structure does not contain asbestos.

Staff Reports:

Operations Manager, Jon Christensen submitted a written report that provided updates from the utility, member services, and contracting departments. Line crews are completing large construction projects and will continue to work on single-phase jobs. The wildfire mitigation plan is nearly complete. Six outages were reported in April. Member Services continue to replace load control devices and respond to member inquiries. The contracting department continues to stay busy with wiring and HVAC projects. New and transitioning employees are receiving technical training to enhance customer service.

Office Manager, Bridget Anderson submitted a written report of the office services activities and financials. Bridget reported that a \$1.6 million RUS loan draw is scheduled for May 22 following completion of the required authorization paperwork. Approximately \$381,000 will remain on the AK47 loan until open work orders are completed. She also reported receipt of \$106,077.79 in East River Capital Credit retirements and noted that WVEC's capital credit retirement process has been completed. Current members received credits on their electric bills, and checks for former members will be mailed next week. Bridget further reported that Eide Bailly will conduct the on-site audit next week, with the audit presentation scheduled for the August board meeting.

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Association Reports:

East River Behrns reported on activities of East River including a record peak demand for March, territorial issues, and Basin's entrance into the Securities and Exchange Commission (SEC).

SDREA Atyeo-Gortmaker reported on SDREA activities including statewide youth excursions and consolidations of large energy companies.

Other Business and Action Items:

- Director Niedert, had notified General Manager Page that he was no longer residing within the district he represents and has resigned his position as director pursuant to the bylaws of the cooperative. The Board reviewed the bylaws regarding the vacancy created by Director Niedert's resignation and will consider how to proceed with filling the vacant seat. Pursuant to the bylaws, the Board may appoint a director to serve until the next member election or may leave the seat vacant until the next member election.
- A motion to authorize via RUS Form 675, the General Manager to request funds from RUS on approved loans was seconded and carried.
- A motion to approve resolution to authorize Management to access the RUS Rapid Environmental Approval Portal –Electronic Review (REAP-ER) on-line application system was seconded and carried.
- Following review, there was a motion to approve the revisions as presented for the following policies: 50-2 Single-Ph Service; 50-5 Multi-Ph < 50 KVA; 50-6 Irrigation Service; 50-11 Multi-Ph > 50 KVA; 50-12 Commercial Multi-Ph; 50-16 Commercial Combined Service;
- Several scenarios for rate increase were presented and discussed.
- A motion was made and seconded to approve a rate adjustment consisting of a 4.5% increase to the facility charges, (establishing the charge of \$70.00 per month for a single-phase service); no changes to demand charges; and corresponding increases to the base energy and heat energy rates sufficient to recover the remaining revenue requirement. Upon vote, the motion failed.
- Upon motion duly made and seconded, the Board approved revisions to the Cooperative's retail electric rates. The approved revisions include a 3% increase in facility charges, resulting in a single-phase facility charge of \$69.00 per month; no change to demand charges; continuation of the electric heat rate at less than \$0.08 per kWh; and adjustments to base energy charges as necessary to recover the balance of the Cooperative's required revenue. The motion passed unanimously.
- No Governance discussion.
- The Board reviewed upcoming events and meetings.

Executive Session:

At 11:38 am a motion to enter executive session was seconded and carried.

At 12:15 pm a motion to exit executive session was seconded and carried.

Resolution for Next Regular Board Meeting:

- The next regular board meeting was set for Thursday, June 18, 2026 at 8:00 AM at the Cooperative Headquarters .

Adjournment:

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

President

Secretary