

WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, July 24, 2025

The regular meeting of the Board of Directors of Whetstone Valley Electric Cooperative, Inc. was held on Thursday, July, 24, 2025 commencing at 7:58 AM at the Whetstone Valley Electric Headquarters.

The meeting was called to order by Vice President, Scott Niedert who presided and Secretary, Matt Cameron, acted as Secretary.

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

Directors Absent: Joel Adler,

Staff Present: Page, Weber, Christensen

Others Present: Nick Crank, Eide Bailey for Audit Presentation, (via Teams)
Jessica Schuchard until 9:am

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 June 19, 2025 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 report highlighting the activities of the operations department. He reported to the board that excessive rain is slowing the work to install underground cable. He updated the board on the load control replacement program and the pole yard refurbishment project. He also reported on engineering bids for the new 4-year construction work plan, material lead times, and possible future changes to the advanced metering system.

Member Services Manager, Mark Weber submitted a written report outlining recent activities within the Service and Contracting Department. He provided updates on new small-scale solar generation projects being installed by members and reported on repairs being completed on Truck 17. Mark also shared that technician training is underway for the load control equipment replacement program. He informed the board that a job posting has been issued for an HVAC technician to fill a vacancy created by a recent retirement. Additionally, he reported on ongoing contracting jobs and current sales activity within the department.

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Office Manager, Bridget Anderson submitted a written report of the office services activities and financials noting that recent draws on the PowerVision and RUS 4-year loans were made to address cash flow needs and reimburse prior project expenses. The Meter Project is now fully funded, and no further draws are expected. As of Q2 2025, Operating Revenue and Cost of Power are both 4% under budget, with Administrative and General Expenses 6% under. Operating Margins are 48% below budget due to reduced revenue. In Bridget's absence, Jessica Schuchard discussed ongoing efforts to digitize records and reduce paper storage.

General Manager Report

General Manager Page reported that year-to-date energy sales total 48.8 million kWh, representing a 2% increase over the same period last year but remaining 3% below budget. Commercial sales are showing signs of recovery following earlier declines. He noted that overall kWh sales and purchases are 3% below projections, which significantly impacts margins due to the sales-sensitive structure of the Cooperative's budget, and given that 77% of the 2025 rate increase was tied to energy sales.

Page also shared that Rasin Electric anticipates substantial wholesale power cost increases in January 2026, with capital expenditures now projected at \$13 billion, up from \$9 billion previously. Further details will be presented at the upcoming Members Meeting.

Finally, Page noted that CFC members approved the board-recommended bylaw changes at the 56th Annual Membership Meeting. The first election for new at-large seats will be held in 2027.

Auditor's Report Nick Crank from Edie Bailey presented the annual audit report to the board. He reviewed the respective responsibilities of the auditors and the Cooperative and provided an overview of the filing requirements for IRS Forms 990 and 990-T. He reported that the auditor's office has completed an audit of the financial statements of Whetstone Valley for the fiscal year ending April 30, 2025. This included the balance sheets, statements of operations, equities, and cash flows, along with the related notes. Mr. Crank explained the Cooperative's depreciation methods for distribution plant and general plant assets. He also reported on the Cooperative's internal control over financial reporting and confirmed that the Cooperative is meeting its lender-required financial ratios.

East River Behrns reported on East River and Basin financials. He also reported that Chris Studer with East River will serve as interim Executive Director for Mid-West Consumers.

SDREA Tostenson reported on SDREA activities, changes to the SDREA Board, a review of policies, and the election of the SD Representative on the NRECA Board.

Association Reports: None

Other Business and Action Items:

- A motion to accept and approve the Auditor's Report was seconded and carried.
- A motion to ratify the appointment of President Adler as the official voting delegate for the election of the SD representative on the NRECA Board of Directors was seconded and carried.
- A motion to ratify the appointment of Cameron and Adler as Voting Delegate and Alternate respectively for the East River Annual Meeting was seconded and carried.
- A motion to appoint Atyeo Gortmaker and Cameron as Voting Delegate and Alternate respectively for the NRECA Regional meeting was seconded and carried.
- A motion to appoint Berens and Tostenson as Voting Delegate and Alternate respectively for the Basin Electric Annual Meeting was seconded and carried.

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- There was a motion and second to accept and approve the following reviewed policies as recommended by the policy review committee: 20-18 On Call Duty; 20-22 Drug & Alcohol; 20-25 Commercial Driver License; 30-17 Energy Conservation; 50-2 Single-Phase Service. The motion passed unanimously.
- There was a motion and second to defer the NRECA Governance Talk discussion until a later date.
- The Board reviewed upcoming events and meetings.

Executive Session:

At 9:15 am a motion to enter executive session was seconded and carried.

At 9:40 am a motion to exit executive session was seconded and carried.

At 10:18 am a motion to enter executive session was seconded and carried.

At 11:12 am a motion to exit executive session was seconded and carried.

Resolution for Next Regular Board Meeting:

- The next regular board meeting was set for Wednesday, August 20, 2025 at 8:00 AM at the Cooperative Headquarters .

Adjournment:

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

President

Secretary