

WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, August 24, 2023

The regular meeting of the Board of Directors of Whetstone Valley Electric Cooperative, Inc. was held on Thursday, August, 24, 2023 commencing at 8:01 AM at the Whetstone Valley Electric Headquarters.

The meeting was called to order by President, Bill Tostenson who presided and Secretary, Darren Strasser, acted as Secretary.

Directors Present: Bill Tostenson, Darren Strasser, Joel Adler, Krista Atyeo-Gortmaker, Paul Nelson, Tom Berens, Scott Niedert, Dave Behrns, Matt Cameron,

Directors Absent:

Staff Present: Page, Weber, Anderson, Christensen

Others Present: New employees David Smith and Brandon Lee were briefly introduced. Nick Crank was present for the Financial Audit Report

Review and Consideration of Agenda

- A motion to approve the agenda was seconded and carried.

Review and Consideration of Minutes

- A motion to approve the minutes of the regular meeting of July 20, 2023 was seconded and carried.

Review and Consideration of the Consent Agenda including:

Loss Control Report, Estate & Special Capital Credit Retirements, New Members, Tenant Changes, Check Listing, Credit Card statement, Cash Flow and Cyber Summary. Also included was the inventory of capitalized work orders.

- Following a brief discussion, a motion to approve the consent agenda was seconded and carried.

Management Reports

Operations Manager, Jon Christensen Reported on work the crews are doing in the field. Jon discussed line activity and presented the recent RESAP audit findings. Overall a good report, the only recommended improvements are in the pole yard. Jon gave an update on the new truck 5 and truck 7 replacements also. Jon reported on a specific outage on the Marvin Substation as well.

Member Services Manager, Mark Weber submitted a written report of current activities and financials of the service and contracting department. He reported on stray voltage testing he conducted. Mark also discussed ongoing process of hiring an electrician for the service / contracting department.

Office Manager, Bridget Anderson submitted a written report of the office services activities and financials. Bridget discussed office activities which led to a discussion on communicating to the membership. She also discussed fleet expense over the last 3 years which showed increased expense in 2022 due to repairs and fuel expense.

- A motion to approve the Management Staff reports was seconded and carried.

Nick Crank from Eide Bailey presented the audit financial report. He reported a clean audit noting that there were no concerning issues.

Following the presentation, the Board met with Mr. Crank in executive session from 10:14 AM to 11:09 AM.

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Review and Consideration of the General Manager's Report

General Manager, Page submitted a written report and discussed consumer energy sales. Year to date energy sales continue to be close to budget. He reported that short-term credit is being used for current construction expenses and that the RUS loan is in process. Page discussed East River's transition to a next-generation demand response management system and Basin's year to date financials.

- A motion to approve the General Manager's report was seconded and carried.

Association Meeting Reports:

Adler and Tostenson reported on the SDREA Leadership Summit. Several reported on the Basin meeting noting the special guests discussion of climate change.

East River Strasser reported on the activities of East River.

SDREA Tostenson reported on the activities of SDREA.

Executive Session:

At 12:25 PM a motion to enter executive session was seconded and carried.

At 2:16 PM a motion to exit executive session was seconded and carried.

Other Business:

- After a discussion, the board completed the election ballot for the CFC District 6 Director.
- Tostenson was selected as the RESCO voting Delegate.
- A motion to approve a REED loan application by Rosalie's in Sisseton for \$315,000 for the purchase of the building was seconded and carried.
- A motion to approve the 2024 compensation package as submitted by Manager Page was seconded and carried by a vote of 6-2 with Behrns and one other opposed.
- The Directors and Staff viewed the NRECA Governance Video regarding rate structure and completed a Rates survey.

Adjournment:

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

Next Regular Board Meeting: Thursday, September 21, 2023 8:00 AM Coop Headquarters

President

Secretary