WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, September 18, 2025

The regular meeting of the Board of Directors of Whetstone Valley Electric Cooperative, Inc. was held on Thursday, September, 18, 2025 commencing at 8:05 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 - via Teams, Tom Berens - via Teams, Paul Nelson, Dave Behrns, Wayne Jarman,

Directors Absent:

Staff Present: Page, Weber, Christensen, Anderson

Others Present: None

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 August 20, 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 on projects that the Lineman have been working on. He gave an update on Load controllers, the pole yard and the next Construction Work Plan. There was discussion on the results of the yearly pole testing as it was out of the ordinary for number of rejects. Jon aslo discussed future tree trimming needs.

Member Services Manager, Mark Weber submitted a written report outlining recent activities within the Service and Contracting Department. He reported on high-usage inquiries that were investigated, identified, and addressed with members, along with energy-saving tips. Mark also assisted a member with developing a plan to combine two services. He reported on current larger projects including air-to-air and geothermal heat pump systems, underground electric service, and wiring of a large shed. Mark reported that upcoming contracting work includes the installation of a geothermal heat pump, and a number of heating and cooling systems, wiring for a farm building and a new home, and several underground, and miscellaneous wiring.

Office Manager, Bridget Anderson submitted a written report of the office services activities and financials. Her report detailed some asset cleanup that has been done. The report also provides some statistics related to member adoption in smarthub, autopay, paperless billing and budget billing. She also reported on the year to date financials, both operating revenue and expense are coming in underbudget. She mentioned that there are expense that were budgeted for Aug that didn't happen until September so there will be additional expensse in pole testing and tree trimming next month. Bridget also provided information regarding our cash position and that while she is hopeful we won't need to borrow any more funds in 2025 it will be close.

General Manager Report

General Manager Page reported that August energy sales were 5% above last year and 4% over budget, with year-to-date sales up 2% but still slightly below budget. Operating revenue reached 97% of budget, and expenses were under budget, resulting in margins above projections. He noted that wholesale power costs are expected to rise about 11% in 2026, and overall revenue requirements may need to increase 10–15% to meet financial targets. East River Electric anticipates higher purchased power and operating costs in 2026, while Basin Electric approved a 10% rate increase effective January 1, 2026. East River will present its 2026 budget at the October 1 Director/Manager joint session. Page concluded with an overview of national electric rate trends from the Energy Information Administration.

Association Reports:

East River Behrns reported on East River and Basin financials. He also reported on East River Board Officer elections and a successful RESAP audit of operations.

SDREA Tostenson reported on SDREA activities, the upcomming Board meeting and budget process. He also discussed the Manager's salary, Director per diems, and cybersecurity policy.

Other Business and Action Items:

- The selection of voting delegates for the Mid-West Electric Consumers Association was postponed to a later date.
- A motion to set the date of the 2026 Annual Membership Meeting for March 26, 2026 was seconded and carried.
- The Building Committee elected to meet following this Board meeting to review and consider 2026 headquarter captial improvements and budget.

Executive Session:

At 10:35 a motion to enter executive session was seconded and carried.

At 11:57 a motion to exit executive session was seconded and carried.

- A motion to approve the 2026 employee wage and compensation package as presented was seconded and carried.
- A motion to approve an annual salary increase of 3% for the General Manager was seconded and carried.

- A motion was made and seconded to approve Policy 20-7 – Paid Time Off and Supplemental Sick Leave (PTO/SSL) as presented, with a total conversion cost not to exceed $65,753, and with the following stipulations:
    1. The PTO/SSL Policy will become effective and required for all newly hired or rehired full-time employees beginning October 1, 2025.
    2. For all full-time employees hired prior to October 1, 2025 ("current employees"), the PTO/SSL Policy will become available on January 1, 2026.
    3. Current employees will have until December 31, 2025, to elect either to remain on the traditional Vacation/Sick Leave plan or to convert to the PTO/SSL plan.
    4. Accrued leave for current employees electing to convert to the PTO/SSL plan will be converted as follows:
        - All accrued Vacation hours will be converted to PTO hours.
        - Up to 50 hours of accrued Sick Leave will be converted to PTO hours.
        - Any remaining Sick Leave hours will be converted to SSL hours.
            - SSL Maximum: Any accrued SSL hours above 480 hours after conversion will be forfeited.
            - PTO Maximum: Employees whose converted PTO balance exceeds 400 hours will be subject to the following provisions:
                - Time to Use: Employees will have 24 months (until December 31, 2027) to use excess hours and reduce their balance to 400 hours.
                - Excess Value Options (PTO only): The value of PTO hours above 400 (calculated at 100% of base wages as of January 1, 2026) may be:
                    - Paid out in cash;
                    - Applied to the employee's traditional 401(k) account, subject to federal contribution limits;
                    - Applied to the employee's Health Savings Account (HSA), subject to federal contribution limits; or
                    - Distributed in a combination of the above options including additional time to use.
    5. At the discretion of the General Manager, with Board approval, future opportunities may be offered for employees to transition from the traditional Vacation/Sick Leave plan to the PTO/SSL plan.
    6. No transition from the PTO/SSL plan back to the traditional plan will be permitted.

  Following discussion, the motion passed unanimously.

- A motion to defer the Governance Talk discussion until a later date was seconded and carried.
- The Board reviewed upcoming events and meetings.

Resolution for Next Regular Board Meeting:

- The next regular board meeting was set for Thursday, October 23, 2025 at 8:00 AM at the Cooperative Headquarters .

Adjournment:

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

President

Secretary