

WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, October 23, 2025

The regular meeting of the Board of Directors of Whetstone Valley Electric Cooperative, Inc. was held on Thursday, October, 23, 2025 commencing at 8:20 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, Dave Behrns, Wayne Jarman,

Directors Absent: Tom Berens, Paul Nelson,

Staff Present: Page, Weber, Christensen, Anderson

Others Present: Prior to the meeting, Chad Pollock, Mike Tietjen, and Emily Jonason reported on recently attended technical and software training.

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 September 18, 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 that crews are completing the Henze addition project and continue installing new services ahead of winter while also addressing pole rejects. He provided a progress report on large reconstruction projects and on ongoing Right-of-way and easement issues. Jon reported an increase in new service request this fall discussed tree-trimming efforts in the lake region. He reported that the pole yard project is finished for the year pending final invoice review. A draft SPCC plan was returned for revisions. Jon reported on the fall Operations meeting, which covered several safety incidents, wildfire mitigation, and emerging AI-based line-patrol technology.

Member Services Manager, Mark Weber submitted a written report outlining recent activities within the Service and Contracting Department. He reported no stray voltage issues and one power quality concern this month. Staff assisted multiple customers with load management requests, rebates, solar inquiries, and future wiring, HVAC, and heating proposals. Mark reported a high-voltage complaint that was traced to a customer's equipment using recording tools. Two electricians completed stray-voltage training to strengthen local expertise. The Contracting Store is managing a heavy workload, including installing HVAC systems, generators, LED retrofits, underground wiring, building wiring, cattle fountain hookups, and numerous repairs, services, and off-peak control replacements for irrigation, grain bins, generators, and water heaters. Mark also discussed the promotion of an employee to the new lead technician position.

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Office Manager, Bridget Anderson submitted a written report of the office services activities and financials. Her report included comparison of budget to actuals for Quarter 3 of 2025. She reported that overall both revenue and expense are down compared to budget. Operating margins are flat to budget while depreciation, taxes and interest are slightly over budget. Bridget also explained a billing issue regarding irrigator accounts. A manual entry that calculates the annual horse power charge and bills to the members each spring wasn't completed after the rate increase. This caused the irrigator accounts to have a balance owing at the end of October to account for the \$5.00 per horsepower increase that went into effect Feb 2025. All irrigator accounts received an explanation with their Oct bill.

General Manager Report

General Manager Page reported that September energy sales were 5% below last year but 2% above budget, with year-to-date sales up 1% over 2024 yet 1% under budget. He summarized East River Electric's proposed 2026 budget, noting higher purchased power, depreciation, and interest costs, partially offset by 2.4% load growth and additional non-member revenue, resulting in an expected 9.4% average rate increase—and more than 10% for Whetstone. He also reviewed Basin Electric's financial results and discussed capital credit allocations and retirements for both Basin and East River and their impact on Whetstone's future revenue requirements. Page further reported on legislative issues being monitored by SDREA's legislative committee and discussed the slowing load growth in Whetstone's service territory and its rate effects.

Association Reports: Cameron and Atyeo-Gortmaker reported on AI discussion and association elections at the NRECA Regional meeting in Madison WI.

East River Behrns reported on East River Board changes, the new Mid-West Executive Director, rising transmission construction costs, FERC regulations and potential new loads for East River.

SDREA Tostenson reported on SDREA activities including rising publication costs, upcoming changes in safety training staff, policy and Bylaw reviews, staff salary increases, the budget and member dues increases.

Other Business and Action Items:

- No delegate was selected for the Mid-West Electric Consumers Association annual meeting.
- The 2026-2050 load forecast was presented and discussed. It was noted that load growth has dropped from about 4% in 2010 to less than 1% going forward from 2025. There was discussion about the lack of agribusiness growth and how to stimulate future growth.
- Management and staff presented the preliminary proposed 2026 capital budget that called for: \$2.3M in distribution plant construction; \$159K for load control replacements; \$56,196 for tools, safety equipment and member service equipment; and \$90,000 for a skid-steer to replace an aging backhoe. The budget also calls for \$26,900 for replacement of computer servers and related equipment and \$191,371 for headquarters improvements.
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- The Board reviewed upcoming events and meetings.

Executive Session:

At 11:49 AM a motion to enter executive session was seconded and carried.

At 12:59 PM a motion to exit executive session was seconded and carried.

Resolution for Next Regular Board Meeting:

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

Adjournment:

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

President

Secretary