

WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, November 20, 2025

The regular meeting of the Board of Directors of Whetstone Valley Electric Cooperative, Inc. was held on Thursday, November, 20, 2025 commencing at 8:00 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, Tom Berens, Paul Nelson, Dave Behrns, Wayne Jarman, Bill Tostenson,

Directors Absent:

Staff Present: Page, Weber, Christensen, 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 October 23, 2025 was seconded and carried.
- There was a motion to approve the minutes of the special meeting of November 4, 2025 with the correction of a second offer to the union for a 3-year wage adjustment of 4%, 3%, and 3%. The motion 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 stating October energy sales were up 6% from last year and year-to-date sales remain below budget. Although the year-to-date variance is small, the sales shortfall impacts revenue since approximately 30% of fixed costs are recovered through energy sales. Page reported that the updated financial forecast indicates a possible short-fall in fourth-quarter sales, putting the required Modified Debit Service Coverage ratio at risk. Additional margins will be built into the 2026 budget to maintain compliance. It was also noted that East River Electric approved the 2026 wholesale rates. Whetstone's average wholesale mill rate is estimated to rise from 64.8 to 72.8, an increase of 12.3%. Page also provided a summary from the SDRE Manager's meeting. The report included federal and state legislative updates, state-wide safety discussions, reports from Basin and NRECA and other items.

Management Reports

Operations Manager, Jon Christensen submitted a written and verbal report. Jon reported on Line Crew activity and the things yet to hopefully be completed in 2025. He also covered the SWO Jail project and that is was now energized. Jon went into detail and included the SPCC plan in the board packet for Director review. He covered a few items that will be needed in 2026 to be in compliance to the plan and that those items were added to the operating budget. Jon discussed the pole yard project and the option of changing the scope of work and enclosing the PCB containment yet in 2025 and that this project will still be within budget.

WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, November 20, 2025

Member Services Manager, Mark Weber submitted a written report outlining recent activities within the Service and Contracting Department. He reported steady member activity this month, including member visits for service wiring, load control, and heating costs. Mark also reported the Contracting Store continues to carry a full workload, with upcoming installations that include several heat pumps, a furnace, air conditioner, a ductless system, a large electric service, and three generators. Crews are also completing numerous HVAC repairs, and miscellaneous wiring projects. Off-peak controls for irrigation, grain bins, generator systems, and a few water heaters will be replaced where contractors were unable to perform the work.

Office Manager, Bridget Anderson submitted a written report detailing office services activities and financials. Her report included a year-to-date financial update, noting that kWh sales remain under budget and that our cash position continues to be tight. She remains cautiously optimistic that no additional borrowing will be necessary before year-end, though she is monitoring the situation closely. Bridget's report also outlined the process for forfeiting unclaimed capital credits and provided details on the proposed \$11,280.37 from the years 2012–2019. In addition, she reported that she has made contact with a member whose debt was written off in 2024 and is hopeful that collection may now be possible.

Association

Reports:

East River Behrns reported on East River activities including SPP CapEx projects, Basin Generation and the announcement of the Mid-West Consumers Executive Director.

SDREA Tostenson reported on SDREA activities including the upcoming annual meeting, term expirations and nomination process.

Other Business and Action Items:

- After discussion, the Board reached consensus to approve the construction of a structure over the PCB containment pad as part of the pole yard improvement project in 2025 rather than 2026.
- By secret ballot, the Board nominated Atyeo-Gortmaker for the SDREA director for Whetstone.
- Niedert and Nelson were selected as the 2026 SDREA voting delegate and alternate respectively.
- A motion to approve the forfeiture of unclaimed capital credits retired from 2012-2019 totaling \$11,280.37 was seconded and carried.
- A motion to approve the 2026 load forecast as presented was seconded and carried.
- Manager Page and senior staff presented the 2026 capital and operating budget.

Executive Session:

At 11:52 am a motion to enter executive session was seconded and carried.

At 1:21 pm a motion to exit executive session was seconded and carried.

- There was a motion and second to approve the 2026 Capital Budget totaling \$2,557,851 including \$2,290,750 for line construction and the following items removed from the budget:
 - The concrete pad expansion east of the warehouse
 - The PCB containment structure (to be constructed and expensed in 2025)
 - The pickup-mounted snowplow
 - The skid-steer and associated attachments (Easy-Spotter, auger, jack hammer, and snow pusher). It was noted that a lease option for the skid-steer equipment might be considered by the board.

The order of a bucket truck to replace #17 for delivery in 2027 was also approved within the motion. Upon discussion, the motion carried.

WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, November 20, 2025

Other Business and Action Items: Continued

The General Manager presented the proposed 2026 revenue requirements, indicating a projected revenue increase of 14.36% for the year, along with 3 options for generating the required annual revenue.

A motion was made and seconded to approve option 3 with an overall revenue increase of 9.8% effective

- January 1, 2026, with the understanding that an additional mid-year adjustment will be necessary. Following discussion, the motion passed unanimously.

- After a discussion, the Board reached consensus to postpone the Governance Talk discussion and Roundtable.
- The Board reviewed upcoming events and meetings.

Resolution for Next Regular Board Meeting:

- The next regular board meeting was set for Thursday, December 18, 2025 at 8:00 AM at the Cooperative Headquarters .

Adjournment:

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

President

Secretary