

WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, January 22, 2026

The regular meeting of the Board of Directors of Whetstone Valley Electric Cooperative, Inc. was held on Thursday, January, 22, 2026 commencing at 8:03 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, Tom Berens, Paul Nelson, Dave Behrns, Wayne Jarman,

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 with the removal of Estate and Capital Credit retirements. The motion passed.

Review and Consideration of Minutes

- A motion to approve the minutes of the regular meeting of December 18, 2025 was seconded and carried.

Review and Consideration of estate and special capital credit retirements:

- There were no Capital Credit Retirements

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 reported that December energy sales totaled 10.8 million kWh, 7% above budget, while year-to-date sales were slightly below budget at 97.8 million kWh. Farm and residential sales increased compared to last year but remain just under 2023 levels, and commercial sales showed a rebound, though year-to-date totals remain slightly below last year. Hanson also reported that an advance on the cooperative's active RUS loan reached interim maturity and was renewed for one year to maintain flexibility and potentially take advantage of lower long-term interest rates in late 2026. He provided updates on East River Electric's infrastructure improvement program, legislative activity, and the status of open positions within the cooperative. Page also discussed the inventory of completed work orders.

Management Reports

Operations Manager, Jon Christensen submitted a written report highlighting the activities of the operations department. Jon Reported on work the crews have been working on and gave an update of the progress on the next 4 year work plan planning. Jon gave an update on capital items that have been ordered and gave an update and information on truck 6 engine replacement. He also provided a presentation of outages in 2025.

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Member Services Manager, Mark Weber submitted a written report outlining recent activities within the Service and Contracting Department. He reported that cold weather in December prompted several high-bill concerns that were addressed with members. Mark also reported on the ongoing load control replacement program. He provided an update on year-end contracting financial performance and outlined several job orders currently in the queue. Mark reported on the ongoing transition within the contracting and service departments regarding his retirement.

Office Manager, Bridget Anderson submitted a written report of the office services activities and financials. She reported on December 30, 2025, \$500,000 was borrowed from CoBank to maintain positive cash flow through year end. On January 5, 2026, \$200,165 was received from Basin for 2008–2009 capital credits. Bridget reported that 2025 allocations from East River and Basin are pending and the current equity ratio is 31.21%. Revenues are 3% under budget, with power costs 1% under and O&M 2% under budget. Administrative expenses are 8% under budget; Customer & Sales expenses are 14% under after reclassifying labor, improving the MDSC ratio to 1.36. She also outlined management’s proposal to secure \$1.33 million in financing from RUS for board consideration and reported that six of 21 employees chose to convert to the new PTO plan.

Association Several directors reported on the activities of the SDREA Annual Meeting.

Reports:

East River Behrns reported on new hires, building expansions, and East River's support of Mitchell Tech's new power line training facility.

SDREA Tostenson and Atyeo-Gortmaker reported on SDREA activities including the annual meeting, policy reviews, employee benefits, and Krista's installation as Whetstone's new representative. Bill thanked the Board for allowing him to represent WVEC at SDREA.

Other Business and Action Items:

- Adler and Jarman were selected as NRECA voting delegate and alternate respectively.
- A motion to amend Policy 30-24 to update the mileage and meal reimbursement schedules to reflect current IRS recommended reimbursement rates of 72.5 cents per mile and up to \$75 per day for meals was seconded and passed unanimously.
- A motion to approve an application for a RUS construction loan for the remaining approved projects in the 2023-2026 Work Plan of \$779,100 and line changes of \$551,000 totaling \$1,330,100 was seconded and passed unanimously.
- A motion to amend the 2026 capital budget to add \$68,511.70 for the replacement of the digger derrick engine with a certified, factory rebuilt engine was seconded and passed unanimously.
- A motion to authorize the Board President to proceed with entering into a formal purchase agreement for the motel property adjacent to the cooperative headquarters was seconded and passed unanimously.

The Governance Discussion was deferred by consensus.

The Board reviewed upcoming events and meetings.

Executive Session:

At 10:11 AM a motion to enter executive session was seconded and carried.

At 10:40 AM a motion to exit executive session was seconded and carried.

At 10:44 AM a motion to enter executive session was seconded and carried.

At 10:54 AM a motion to exit executive session was seconded and carried.

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Resolution for Next Regular Board Meeting:

- The next regular board meeting was set for Tuesday, February 17, 2026 at 8:00 AM at the Cooperative Headquarters .

Adjournment:

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

President

Secretary