

MINUTES OF BOARD MEETING
Lyon-Lincoln Electric Cooperative, Inc.
Monday, April 22, 2024

The regular monthly meeting of the Board of Directors of Lyon-Lincoln Electric Cooperative, Inc. was held on Monday, April 22, 2024 at 9:30 o'clock A.M. at the headquarters building in Tyler, Minnesota.

The following directors were present: James Rokeh, Kathy Schreurs, Scott Johnson, Dale Fier, Mike Longtin, Jared Dritz, Joel Buyck, Galen Grant, and Mary Gunnink.

Also present at said Board Meeting were General Manager, Timothy O'Leary, Finance Manager, Kristi Jensen, and Attorney, Michael W. Cable.

The Board and others in attendance stood and gave the Pledge of Allegiance before the meeting was called to order.

President, Dale Fier, noted that a quorum was present and called the meeting to order.

President, Dale Fier, inquired whether there were any changes to the Minutes of the March 28, 2024 Board Meeting and there were no changes. A motion was made by Mr. Longtin, seconded by Mr. Buyck, and carried to approve the Minutes of March 28, 2024.

President, Dale Fier, inquired whether there were any additions to the Agenda and General Manager, Timothy O'Leary, indicated he wanted the following change made to the Agenda:

- For upcoming Meetings he wanted paragraph d. CFC Forum June 17-19, 2024 Indianapolis, Indiana added to the agenda.

There being no additional changes, a motion was made by Mr. Longtin, seconded by Ms. Gunnink, and carried to approve the Agenda.

President, Dale Fier, asked the Board after reviewing the Agenda if anyone had any conflict of interest that should be disclosed. There was no conflict of interest to be disclosed by any of the Board.

The Board reviewed the accounts payable check register from March 1, 2024 through March 31, 2024. After review and discussion, President, Dale Fier, indicated that the check register was received and filed subject to audit.

The Board reviewed the applications for membership, which had been submitted as shares to be accepted for the month of March, 2024. After review, a motion was made by Mr. Longtin, seconded by Mr. Dritz, and carried to approve the shares to be accepted.

The Board reviewed the shares to be cancelled for the month of March, 2024. After review, a motion was made by Ms. Schreurs, seconded by Mr. Rokeh, and carried to approve the cancellation of said shares.

The Board considered the capital credits to be paid to the following Estates: the Estate of Charles Clapp for the unretired amount of \$799.11 with \$367.01 being paid, and \$432.10 being discounted; and the Estate of James Jucht for the unretired amount of \$1,138.73 with \$468.02 being paid, and \$670.71 being discounted. A motion was made by Mr. Grant, seconded by Ms. Gunnink, and carried to approve the payment of capital credits to said Estates.

Finance Manager, Kristi Jensen, reviewed the Financial and Operating Report with the Board which included the Income Statement for February, 2024 and a Balance Sheet for February, 2024. She also reviewed the Power Requirements Data for the various rates charged by the Cooperative for February, 2024. The Board also reviewed the Summary Report concerning Sales, Operation Expense, Maintenance Expense, Customer Accounts Expense, Customer Services and Information Expense, Sales Expense, Administrative and General Expense, Interest Expense-Other, Other Deductions, Non-Operating Margins-Interest, and Other Capital Credits & Patronage. The Operating TIER shown on the Income Statement for February, 2024 was 0.62 and the Equity shown on the Balance Sheet for February, 2024 was 40.20%. After discussion and review President, Dale Fier, indicated that the Financial and Statistical Report for the period ending February 29, 2024 was received and filed subject to audit.

The Board reviewed the Statement of Qualified Patronage Distribution from CoBank, ACB Capital Plan for Electric Generation and Distribution Cooperatives, Water Providers, and other Similar Borrowers as of March 15, 2024. The total patronage for 2023 for Lyon-Lincoln Electric Cooperative, Inc. was \$10,031.59. The Equity Account Balance as of March 15, 2024 was \$120,949.64. The total cash distribution was \$6,542.34.

The Board reviewed information that had been received from the National Rural Utilities Cooperative Finance Corporation concerning interest payments on subordinated certificates for the period ending March 31, 2024. The interest earned on said Subordinated Certificates through March 31, 2024 was \$9,199.49.

The Board reviewed the Annual Benefits of Ownership Statement for Lyon-Lincoln Electric Cooperative, Inc. that was forwarded from National Rural Utilities Cooperative Finance Corporation. The Cumulative Retirement of Patronage Capital to Lyon-Lincoln Electric Cooperative, Inc. was \$249,846.08. The current balance of the Capital Certificate Investments in CFC is \$378,771.00.

Kristi Jensen, Finance Manager, left the meeting and was no longer in attendance.

Lyle Lamote, Line Superintendent, gave the March Outage Report indicating that there were the following outages involving 10 or more consumers:

- On March 15, 2024 69 consumers were off 2 hours and 40 minutes in the Townships of Grandview and Fairview. The cause was an underground fault.
- On March 18, 2024 230 consumers were off 1 hour and 25 minutes in the Townships of Coon Creek, Island Lake, and Lyons. The cause was an underground fault.

He also reviewed with the Board the March Safety Meeting which had been held on March 14, 2024 involving the topic of Working Alone and Hot Weather. Erick Boder, MREA's Safety Instructor presented the program Working Alone and in the Electric Industry is one of the most dangerous situations a worker can find themselves. There was also discussion concerning the topic of Hot Weather Safety and looked at the causes of heat stress. After the meeting Erick Boder did a crew visit where the linemen were replacing an anchor on a riser pole and another crew was doing line maintenance. Mr. Lamote indicated that the linemen were doing the following work some of which had been completed and some were still in process:

- The linemen were cutting trees.
- The linemen were performing line maintenance.
- They have underground jobs that have to be completed.
- The linemen were removing overhead lines concerning a lift station for the Russell Project.

- Dan Tutt was completing underground inspection.

Lyle Lamote, Line Superintendent, left the meeting and was no longer in attendance.

Brian Jeremiason, Manager of Marketing and External Relations, was not in attendance at the meeting because he was participating in a meeting in Washington D.C. General Manager, Timothy O’Leary, gave Mr. Jeremiason’s report which was as follows:

1. The report created by Mr. Jeremiason shared information about Lyon-Lincoln Electric Cooperative, Inc.’s social media efforts and who the cooperative is reaching and what the Cooperative’s audience looks like. The Board was advised that there are currently 2,926 Facebook followers on social media and 60.9% of the audience is female and 39.1% is male. He also pointed out that the Cooperative is reaching men and women in different age groups all in accordance with a graph presented to the Board.

The most common communities reached are as follows:

- Marshall – 443
- Tyler – 234
- Ivanhoe – 135
- Russell – 135
- Lake Benton – 121
- Minneota – 104
- Canby – 97
- Balaton – 77
- Hendricks – 71
- Tracy – 66

It was indicated to the Board that the most popular posts of 2024 so far were as follows:

- Super Bowl Linemen Post – 15,479 impressions/549 Reactions/22 Comments/41 shares
 - Accident Scene Dangers – 10,460 impressions/39 Reactions/2 Comments/25 shares
 - Jessica Gums Who Powers You – 4,432 impressions/104Reactions/14 Comments/16 shares
 - Solar Contact Us First – 2,800 impressions/28 Reactions/0 Comments/14 shares
2. Mr. Jeremiason’s report indicated that he had worked with NISC and Clover Security to complete Lyon-Lincoln Electric Cooperative, Inc.’s annual PCI Compliance. As a business accepting branded payment cards, the Cooperative is required to take a number of steps in order to protect the Cooperative and reduce its exposure to fraud. Clover Security helps the Cooperative take the steps needed to comply with the PCI DSS standard and protect the members and Cooperative. The Cooperative is now in compliance and it is valid until April 16th of 2025.
 3. Due to the lack of participants the MREA Grassroots Day scheduled for April 18, 2024 was cancelled. Mr. Jeremiason is attending the NRECA Legislative Conference. The priority areas for this visit include:

- Oppose EPA’s Power Plant Rule
- Protect USDA Funding for Co-ops
- Safeguard Rural Electric Infrastructure
- Alleviate Supply Chain Challenges

Mr. Jeremiason indicated in his report that Sunday through Tuesday will be filled with classes, government relations information, and presentations from various agencies. Tuesday and Wednesday will be filled with visits with each of the Minnesota Senators and most the Representatives and their staff.

General Manager, Timothy O’Leary, gave his General Manager’s Report and said report was as follows:

1. The Board had been provided the March Power Bill from East River Electric Power Cooperative, Inc. and it indicated that March was more of a normal month coming close to budgeted purchases. The Cooperative was under its heat purchase budget by 265,892 kWhs, but its base sales were over budget by 61,408 kWhs. Purchase power costs were under budget by \$4,315.00 for the month. The average purchase power rate for the month 6.207¢ versus a budgeted rate of 6.1¢.
2. Lyon-Lincoln Electric Cooperative, Inc.’s kWh purchases through the month of March were currently 92.85% of the budget. It’s kWh sales to members through March were currently 92.69% of the budget. The line loss through March was 4.34%. March saw purchases 2.35% below budget and sales around 4.2% below budgeted amounts for the month. Line loss for the month was higher than budgeted and came in at 5.96%.
3. The Board was presented a comparison for past due amounts between 2024 and will be provided the April amounts as well as the Cooperative finishes the Cold Weather Disconnect that started on October 1st. The comparison was as follows:

24-Mar			23-Mar		
Letters	211		Letters	213	
		Accounts			Accounts
30 Days	\$38,112.56	177	30 Days	\$58,052.65	190
60 Days	\$9,979.94	39	60 Days	\$15,296.07	52
90 Days	\$8,886.49	12	90 Days	\$21,776.60	28
Totals	\$56,978.99	228	Totals	\$95,125.32	270

4. The East River Electric Power Cooperative, Inc. MAC Meeting included some of the following topics:
 - a. Basin Electric Power Cooperative, Inc. filed its new Crypto rate on March 25, 2024. East River Electric Power Cooperative, Inc. and several members will be filing to intervene in the case. As of right now and after changes were made to the rate and application East River is neutral/supportive of the filing. If things change during the filing East River and the members that intervene will be able to testify on the rate filing.
 - b. East River’s staff indicated that the runoff for February on the Missouri River was above normal as mild temperatures led to early snow melt. However the forecast for 2024 indicates that runoff for the year will be below average. Forecast generation for 2024 is 8.3B kWh compared to the long-term average of 9.4B kWh.

- c. An updated report was given concerning Crow Creek and it was indicated that the Tribal Council passed a resolution stopping all commercial utility development within its boundaries. East River and the surrounding distribution cooperatives reached out to the Tribe and confirmed that they would be allowed to maintain their current lines and restore outages. The Tribe has indicated that it wants all requests to come to the Council for approval, so that they know about the projects coming onto the Reservation. It is a Tribal election year and staff indicated that a majority of the Council Members are not seeking re-election.
 - d. Chris Studer, Chief Member and Public Relations Officer for East River Electric Power Cooperative, Inc., updated the MAC on three applications that they are presently working on to receive Federal funding. Two of the projects are with NRECA and the third one is with MREA. The two NRECA projects focus on grid resiliency and increased transmission capacity. The grid resiliency project would help offset the investment being made in the second generation load management project. The transmission capacity would have ER install advanced conductors on several sections of transmission lines throughout its service territory. The last project is for substation hardening which would focus on physical security, SCADA expansion (this would include the East River's portion of the grant that would replace existing reclosers with electronic reclosers) and wildlife mitigation.
 - e. Mark Hoffman, Chief Operations Officer for East River Electric Power Cooperative, Inc., updated the MAC on large loads that are seeking to be billed in the East River Service territory. One load that has reached out to East River and a number of other East River distribution systems is a company that focuses on green ammonia that would be used locally. The load would be in the 11.5MW size and they are looking for a 5.0 cent rate to make the project feasible. East River has provided them with information and will wait for them to fill out the paperwork and submit study fees before taking the next step with the project.
5. The Board was advised that included in the packet was a slide from the Basin Winter Meeting and it shows costs associated with building different types of technologies. It was pointed out that the Board should notice that a small modular reactor comes in at a higher price to build at \$7,547/KW.
 6. This years MREA's spring CEO Meeting was one of the better meetings and the content was well above average for a spring meeting. There were presentations from Great Co-ops CEO Matt Gilley on Artificial Intelligence and Building a High Engagement Culture at the Co-op, a Cybersecurity update from NRECA, dealing with the media and giving interviews, and received a regulatory and legislative update. Susan Olander from Federated Insurance gave a presentation on CEO/Board relationships. On day 2, there was a presentation from CFC CEO, Andrew Don, giving an update on GRIP and ERA funding applications that are being put together, a safety update, and discussion on beneficial electrification.
 7. Greg Kohler from District 1, Michelle Williams from District 2, and Ann Longtin from Distract 3, from the Operation RoundUp Board will be completing their first term on the Board and are eligible to serve another

term. It was pointed out to the Board the next year the Board will have to find people in all three Districts to serve on the Board.

8. The Board was advised that Basin Electric Power Cooperative, Inc.'s Wild Spring Solar has now come online.
9. A representative from RUS advised the Cooperative's staff that there have been changes made in minor construction rules and environmental rules.
10. The Board was advised of the following scheduled meetings:
 - On April 22, 2024 the summer hours will begin at the Cooperative.
 - On May 1, 2024 the East River Electric Power Cooperative, Inc. REED/MAC Meeting will be held.
 - On May 14th through May 17th, 2024 the Federated Board Meeting will be held in Kansas City, Missouri.
 - On May 20, 2024 the Board Meeting will be held at the Heritage Event Center operated by President, Dale Fier.
 - On May 21, 2024 the Strategic Planning 2nd day event will take place.

The Board reviewed the General Manager's Expense Report for April, 2024 and a motion was made by Mr. Rokeh, seconded by Ms. Gunnink, and carried to approve said Expense Report.

General Manager, Timothy O'Leary, reviewed with the Board the LL March Cyber Security Program Report completed by East River Cyber Security Department dated April 3, 2024.

Vice-President, Mike Longtin, gave a report concerning the Basin Electric Power Cooperative, Inc. meeting he had attended and his report included issues involving Dakota Gas, rate hearings, loads in Kingsbury County, and Summit Pipeline.

General Manager, Timothy O'Leary, pointed out that the Minutes of the Regular Meeting of the Board of Directors of East River Electric Power Cooperative, Inc. from March 8, 2024 were in the Call to Order App that could be accessed by the Board Members and he encouraged the Board to read the Minutes.

General Manager, Timothy O'Leary, indicated that the District Meetings went well and they were positive and the members who attended were very complimentary.

Director, Joel Buyck, and Director, James Rokeh, gave a report on the Redwood EC Annual Meeting that they had attended.

The Board was presented with the Agenda that was prepared for the Strategic Planning Session for Lyon-Lincoln Electric Cooperative, Inc. that will be held at the Heritage Event Center operated by President, Dale Fier, for May 20, 2024 at 1:00 P.M. to 4:30 P.M. and on May 21, 2024 at 8:00 A.M. to 5:00 P.M. There was discussion concerning the Board Meeting that will take place at said facility commencing at 9:30 A.M. and after discussion a motion was made by Mr. Longtin, seconded by Mr. Dritz, and carried to have the May Board Meeting at Heritage Event Center on Monday, May 20, 2024, commencing at 9:30 A.M., at the address of 3621 County Highway 8, Taunton, Minnesota.

There was discussion concerning the effort to help bring electricity to the people of Guatemala being sponsored by the MREA and the Iowa Association of Electric Cooperatives. After discussion a motion was made by Mr. Rokeh, seconded by Mr.

Buyck, and carried to donate \$1,000.00 from unclaimed capital credits to be used to assist in helping bring electricity to the people of Guatemala.

The Board recessed for lunch at 11:58 o'clock A.M. and at that time viewed the East River Electric Power Cooperative, Inc. monthly video report which included the Basin Summary.

At 12:30 o'clock P.M. the Board reconvened. There was discussion concerning the shop-floor scrubber/sweeper quote that had been obtained and after discussion a motion was made by Mr. Johnson, seconded by Mr. Dritz, and carried to authorize management to spend up to \$14,000.00 for the shop-floor scrubber/sweeper that management felt would best meet the needs of the Cooperative.

The Board was advised of the following upcoming meetings:

- A District 5 Meeting to be held on July 17, 2027 at the Sleepy Eye Convention Center in Sleepy Eye, Minnesota.
- The 28th Annual Energy Issues Summit to be held on August 7th and August 8th of 2024 at the Radisson Blu MOA, Bloomington, Minnesota. That meeting will include a Pre-Conference Education – NRECA BLC 965.1: Electric Vehicles: Strategy & Policy Considerations – August 6, 2024.
- Basin Electric's 2024 Annual Meeting to be held on August 13th and August 14th, 2024.
- CFC Forum to be held June 17th through June 19th in Indianapolis, Indiana.

There being no further business to come before the Board, President, Dale Fier, adjourned the meeting at 12:47 o'clock P.M.

Secretary

ATTEST:

President