

MINUTES OF BOARD MEETING
Lyon-Lincoln Electric Cooperative, Inc.
Monday, April 28, 2025

The regular monthly meeting of the Board of Directors of Lyon-Lincoln Electric Cooperative, Inc. was held on Monday, April 28, 2025 at 9:35 o'clock A.M. at the headquarters building in Tyler, Minnesota.

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

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 March 24, 2025. It was indicated that the sentence stating "He also advised the Board of the cost to fix a door on the skid steer in the amount of \$1,100.00" should be removed from the Minutes. With that change noted, a motion was made by Mr. Longtin, seconded by Mr. Dritz, and carried to approve the March 24, 2025 Minutes.

President, Dale Fier, inquired whether there were any additions or changes to the Agenda and President, Dale Fier, indicated that he would like to have a discussion concerning Board representation and replacements for the Board in the Agenda. General Manager, Timothy O'Leary, indicated that discussion would take place under Plenary Matters after the Highway 14 Project. A motion was made by Mr. Longtin, seconded by Mr. Rokeh, 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, 2025 through March 31, 2025. 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, 2025. After review, a motion was made by Ms. Gunnink, seconded by Ms. Schreurs, and carried to approve the shares to be accepted.

The Board reviewed the shares to be cancelled for the month of March, 2025. After review, a motion was made by Mr. Longtin, seconded by Mr. Grant, 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 Bruce Dahl for the unretired amount of \$1,395.77 with \$734.38 being paid, and \$661.39 being discounted; the Estate of Kevin Dumke for the unretired amount of \$6,569.71 with \$2,941.81 being paid, and \$3,627.90 being discounted; the Estate of Audrey Rasmussen for the unretired amount of \$4,708.40 with \$1,979.70 being paid, and \$2,728.70 being discounted; and the Estate of David Schreiber for the unretired amount of \$4,931.91 with \$2,288.93 being paid, and \$2,642.98 being

discounted. A motion was made by Ms. Schreurs, seconded by Ms. Gunnink, and carried to approve the payment of capital credits to said Estates.

President, Dale Fier, inquired whether there were any interactions that Board Members had with other Cooperative members and he indicated that he had a conversation with a member about rate increases and that the member had no objections. There were no other interactions reported.

Finance Manager, Kristi Jensen, reviewed the Financial and Operating Report with the Board which included the Income Statement for February, 2025 and a Balance Sheet for February, 2025. The Board also reviewed the Power Requirements Data for the various rates charged by the Cooperative for February, 2025. 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, 2025 was 1.15 and the Equity shown on the Balance Sheet for February, 2025 was 40.40%. After discussion and review President, Dale Fier, indicated that the Financial and Statistical Report for the period ending February 28, 2025 was received and filed subject to audit.

Kristi Jensen, Finance Manager, brought to the Board's attention information that had been received from the National Rural Utilities Cooperative Finance Corporation indicating that the interest earned for the period ending March 31, 2025 on subordinated certificates totaled \$9,149.00.

The Board was presented other information from the National Rural Utilities Cooperative Finance Corporation showing the financial benefits of the ownership of Lyon-Lincoln Electric Cooperative, Inc. in CFC from the 2024 calendar year and the benefits were as follows:

- a. Patronage Capital - \$256,542 in Patronage Capital has been retired to Lyon-Lincoln Electric Cooperative, Inc.
- b. CFC has provided more than \$18M in Cooperative Educational Fund Grants since 1981.
- c. The Integrity Fund provided \$34,648 in grants awarded to Lyon-Lincoln Electric Cooperative, Inc. since 1986.
- d. Exclusive Resources – as a member-owner of CFC, Lyon-Lincoln Electric Cooperative, Inc. has access to valuable resources like the annual Key Ratio Trend Analysis Report, CFC Forum and CFC's Solutions News Bulletin.

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

Lyle Lamote, Line Superintendent, gave the March Outage Report involving 10 or more consumers and it was as follows:

He made the following report for March 4, 2025

- 622 Consumers were off 25 minutes out of the Russell Substation. The cause was East River had galloping lines from the ice.
- 12 Consumers were off 2 hours in the Townships of Lake Stay and Limestone. The cause was an open OCR from the ice on the lines.
- 162 Consumers were off 10 hours and 30 minutes in the Townships of Lake Marshall and Sodus. The cause was an open OCR in the Amiret Sub from ice on the lines.
- 13 Consumers were off 2 hours and 40 minutes in the Township of Nordland. The cause was open OCR from ice on the lines.

- 60 Consumers were off 2 hours and 25 minutes in the Townships of Custer and Monroe. The cause was a broken three phase pole from ice.
- 120 Consumers were off 13 hours and 40 minutes in the Townships of Lake Marshall and Sodus. The cause was a broken tie wire and galloping from ice on the wires.
- 46 Consumers were off 1 hour in the Townships of Monroe and Sodus. The cause was a broken jumper on riser pole from ice and wind.
- 57 Consumers were off 15 hours in the Townships of Rock Lake and Shelburne. The cause was broken three phase poles from wind and ice.

On March 15, 2025 the following outages were reported:

- 2,162 Consumers were off 45 minutes out of Amiret, Dudley, Ghent, Lynd and Russell Substations. The cause was East River had ice on their transmissions lines.
- 599 Consumers were off 1 hour and 40 minutes out of the Ivanhoe Substation. The cause was East River had ice on their transmission lines.

On March 30, 2025 the following outages were reported:

- 191 Consumers were off 2 hours 5 minutes in the Townships of Diamond Lake, Lake Stay and Marshfield. The cause was broken X-arm bolts from wind and ice.
- 367 Consumers were off 1 hour and 30 minutes out of the Marble Substation. The cause was East River had ice on their transmission lines.

Mr. Lamote indicated that there was a March Safety Meeting held on March 11, 2025 concerning the topic of CPR & AED Certification. Pam Bakker, Instructor from the Minnesota West Community and Technical College gave the refresher class on CPR and AED to all employees.

After giving the safety report to the Board, Mr. Lamote showed pictures of rights-of-way that had been cleared of vegetation by utilizing the newly purchased grubber and explained to the Board how the grubber was operated for maintenance of the right-of-ways for Lyon-Lincoln Electric Cooperative, Inc.

Mr. Lamote indicated that the linemen were doing the following work:

- Cutting Trees.
- Changing out rotten poles.
- Installing 7 miles of 3 phase line on the system west of the Ivanhoe Substation.
- The linemen were also doing underground inspections.

After making his report Lyle Lamote, Line Superintendent, left the meeting and was no longer in attendance.

Brian Jeremiason, Manager of Marketing and External Relations, gave his report as follows:

1. Mr. Jeremiason indicated that at the February Board Meeting he was tasked with digging into the Nuclear Fusion outlook and the state of the nuclear energy

generation in the near term. What Mr. Jeremiason learned is that this is a rapidly advancing topic worldwide. All the nuclear power plants in operation currently use nuclear fission, which splits an atom to produce energy. Nuclear fusion is where two atomic nuclei combine into a larger/heavier one. The process releases a vast amount of energy and produces no dangerous waste. The first major breakthrough in fusion occurred in December of 2022. Scientists at the Lawrence Livermore National Laboratory successfully achieved a nuclear fusion reaction that produced more energy than was put in, which is a significant milestone in fusion research. The experiment was conducted at the National Ignition Facility (NIF), which uses the worlds largest and most energetic lasers to create conditions similar to those in the sun. Former Secretary of Energy, Ernest Moniz, called this a “Kitty Hawk Moment” for fusion technology. Several companies have raised \$4.5 Billion in capital and are working towards demonstration projects within the next decade. If successfully developed the fusion power could provide nearly limitless, clean energy with minimal long-term radioactive waste. A few issues driving this development are global climate goals and pressure to decarbonize the power industry. Countries are racing to meet net-zero emission targets and the intermittency of solar and wind make nuclear a stable option for grid reliability. Another driver is Russia’s invasion of Ukraine, which has reawakened concerns about energy security and fossil fuel dependence, especially in Europe.

Growth is also driving development of another technology being small modular reactors (SMRs). SMRs promise faster deployment, lower up front costs, improved safety, and potential for load-following capabilities to meet data center and block chain mining loads. General Manager, Timothy O’Leary, also presented a nuclear update on the SMR.

The outlook in the United States, is that existing reactors are being extended and incentivized, but only a few new large reactors are in development. Interest in SMRs is growing. There should be deployment of this technology in the next few years. Leaders in this technology include NuScale, GE-Hitachi and Rolls-Royce. Fusion will still not be commercially viable this decade, but private investments are heating up. First pilot plants are expected to emerge in 2030s. There will be challenges because of the high capital costs that remain for large nuclear and cost overruns are common. Long permitting times and shifting regulatory policies slow development. Long-term storage of waste remains politically sensitive. In the next ten years it is forecasted that global nuclear capacity will increase by about 25-40% over current levels. Aging coal plants and remote energy needs will likely lead to wider and more rapid adoption of SMRs. The outlook for nuclear fusion over the next decade is cautiously optimistic and rapidly evolving. While commercial power from fusion by 2035 remains unlikely at grid scale, the next 10 years should be pivotal in demonstrating technical feasibility, validating reactor designs, and establishing a competitive private fusion sector.

2. Mr. Jeremiason gave a solar update and indicated that Lyon-Lincoln Electric Cooperative, Inc. was able to bring a 39.9 kW solar project online earlier in the month of April and are awaiting inspection on the next project. The next project to come online is an upgrade from an existing 15.36 kW system to a 31.56 kW project. Once this project is approved by the electrical inspector, Lyon-Lincoln Electric Cooperative, Inc. will conduct the witness test and bring the project online. There is one more 39.9 kW project in development and Mr. Jeremiason indicated that Lyon-Lincoln Electric Cooperative, Inc. has no more currently in the queue. Potential tariffs announced on imports from Southeast Asia from 41.56% to 3,500% will likely slow down some of the lower level developers.

- Mr. Jeremiason advised the Board that Jessica Gums, Executive Assistant, and he were currently working on the updated website. They have had several web-meetings with the SHiNE team at Touchstone Energy and are getting closer to being able to launch. Mr. Jeremiason is confident that the new website will be live before the Annual Meeting. Mr. Jeremiason needs to get some updated “action shots” of the crew working in the service area in non-outage restoration conditions. Mr. Jeremiason will be taking a few days to get out with his cameras and drones and capture some different activities.

After making his report to the Board, Brian Jeremiason, Manager of Marketing and External Relations, left the meeting and was no longer in attendance.

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

- The Board had been provided the March Power Bill from East River Electric Power Cooperative, Inc. March sales were down by 666,178 kWhs from the budget with heat sales making up 399,122 kWhs of that total. Lyon-Lincoln Electric Cooperative, Inc.’s average purchase power rate for the month was 6.425¢ versus the budgeted rate of 6.59¢. Demand was down from budget due to the lower electric heat sales for the month.
- Lyon-Lincoln Electric Cooperative, Inc.’s kWh purchases through the month of March are currently 100.09% of the budget. It’s kWh sales to members through March are currently 99.22% of the budget and the line loss through March is 5.11%. Line loss for the year is up compared to previous years. General Manager, Timothy O’Leary, indicated that he will keep an eye on it and see if this straightens out over the next few months.
- General Manager, Timothy O’Leary, presented the past due information and showed a comparison of letters sent and past due amounts between March, 2024 and 2025. Mr. O’Leary indicated that April numbers will be provided when the cold weather disconnect period is finished that started October 1st. The past due information is as follows:

25-Mar			24-Mar		
Letters	212		Letters	211	
		Accounts			Accounts
30 Days	\$52,619.78	199	30 Days	\$38,112.56	177
60 Days	\$12,616.84	43	60 Days	\$9,979.94	39
90 Days	\$6,868.65	20	90 Days	\$8,886.49	12
Totals	\$72,105.27	262	Totals	\$56,978.99	228

- East River Electric Power Cooperative, Inc. MAC meeting included some of the following topics:
 - The staff at East River Electric Power Cooperative, Inc. gave an update on the discussions that are happening with the Class D Members and each of them having a Board Member at the East River Electric Power Cooperative, Inc. Board Meetings. Currently the four Class D Members share a Board Member and that rotates every three years. Class D Members would like to have someone in the room to report back to their local Board each month, since they lack representation at the Great River Energy (GRE) board meeting and three of them don’t have anyone at the monthly East River Electric Power Cooperative, Inc. meetings. The discussions would have each of them paying for a Board Member and continuing to have one vote at the table. Mr. O’Leary believes that Lyon-Lincoln Electric Cooperative, Inc. should support the Class D Members in

their efforts. This change would require a Bylaw change at East River Electric Power Cooperative, Inc.

- b. At the suggestion of a Class C Manager, Basin has created a committee to look at options for engaging a large load. The committee consists of one Class A Manager and one Class C Manager from each of Basin's Districts. The goal of the committee is to have a recommendation for the Basin's staff to take to the Board by their July Board Meeting and by the July Manager's Meeting. The committee will look at how the load goes through the process of interconnect and what the load may expect for a contribution in aid to construction (CIAC).
 - c. The staff of East River Electric Power Cooperative, Inc. gave an update on RUS and their new environmental review process that started as a result of a Trump Executive Order. East River is seeing work plan amendments being approved faster as a result of this change and have shared options with the MAC to help us get faster approvals. Lyon-Lincoln Electric Cooperative, Inc. has not seen the same issues that they have in South Dakota since the Cooperative's work plans have focused on non-site specific projects as we look to change out underground lines across our system.
 - d. The MAC had a good discussion on what each Cooperative is doing with the A/C rate and whether we will be replacing the A/C load management receivers. Several cooperatives have decided to grandfather existing members on the rate, but close it to any future members. It is an interesting discussion and is something that needs to be considered in the future.
 - e. There was discussion concerning the Missouri River water levels and the forecast generation for 2025 is 8.8B kWh compared to the long-term average of 9.4B kWh. The 2025 calendar year runoff forecast above Sioux City, Iowa is 22.1-million-acre feet which is 86% of the average. Robert K. Sahr, CEO/General Manager of East River Electric Power Cooperative, Inc., informed the MAC that he is serving on the Mid-West WAPA Efficiency Committee which is looking at insuring that WAPA is adequately staffed, and the resources are provided for WAPA to maintain operational and maintenance activities at their traditional levels while evaluating opportunities to encourage organizational efficiencies and cost savings.
5. General Manager, Timothy O'Leary, advised the Board that this year's MREA Spring CEO Meeting was a little fragmented due to the focus on a couple of topics that only impacted a few co-ops and a poor speaker to end the meeting. There were presentations on data centers, unions, legislative issues, SMRs, demand billing, battery storage by Connexus, safety, and wildlife mitigation. There was a political presentation made from the Deputy Commissioner of Commerce from energy as he made several inaccurate statements and outright distortions as he talked about the energy future in Minnesota. In the Deputy Commissioner of Commerce, fantasy land, he talks about the cost of energy going down once we get rid of the current fossil fuel based load generation and replace it with firm green power. Not sure what firm green power is exactly, but it has to do with wind/solar combined with long term battery storage. It is too bad that there are political people in positions in the Department of Commerce.
6. Diana Neilsen (District 1), Judy Hayes (District 2) and Heidi Fier (District 3) will be completing their second term on the Operation RoundUp Board and are not eligible to serve another term. Glenda Werkman (District 1) and Ken Schiller

(District 2) have indicated that they would be willing to serve on the Board. The Board was also advised that for District 3 Jane Steffes would be willing to serve on the Board.

7. The Cooperative has received its updated numbers from the City of Marshall as it pertains to service territory reimbursement. It has been a few years since Lyon-Lincoln Electric Cooperative, Inc. has had any territory annexed by Marshall, but the reimbursement mill rate is updated yearly as per the Service Territory Agreement. For normal loads the reimbursement rate is 21.775 mill/kWh and lasts 10 years after the area is annexed or a de minimis load is developed on a bare ground annexation. For the large load customers, the reimbursement rate is 14.518 mills/kWh. The Board was advised that General Manager, Timothy O'Leary, included the mill rate exhibit in the board packet.
8. The Tyler Golf Club has paid off its loan that was provided through REED. The original loan was closed on March 11, 2011 for \$180,000.00 The outstanding loan amount paid off was \$43,306.04.
9. The Board was advised of the following scheduled meetings:
 - On April 21, 2025 the summer hours begin.
 - On May 14-16, 2025 there will be a Federated Board Meeting in Kansas City.
 - On May 19, 2025 the Board Meeting for Lyon-Lincoln Electric Cooperative, Inc. will be held.
 - On May 20, 2025 there will be an Avera Board Meeting at 2:30 o'clock P.M.

The Board reviewed the General Manager's Expense Report for April, 2025 a motion was made by Mr. Grant, seconded by Mr. Buyck, and carried to approve said Expense Report.

General Manager, Timothy O'Leary, reviewed with the Board the Lyon-Lincoln Electric Cooperative, Inc.'s Cyber Report for March, 2025 which was prepared by East River Cyber Security Department.

The Board recessed for lunch at 12:00 o'clock P.M. and during the lunch recess the Board viewed the East River Electric Power Cooperative, Inc. monthly video report which included the Basin Summary and reconvened at 12:30 o'clock P.M.

General Manager, Timothy O'Leary, brought to the Board's attention that the East River Electric Power Cooperative, Inc. Board Meeting draft minutes for March of 2025 was in the Call to Order App that could be accessed by the Board Members.

The Board reviewed Policy 501 – Financial Management and after review and discussion a motion was made by Mr. Longtin, seconded by Ms. Schreurs, and carried to adopt Policy 501 -Financial Management.

The Board reviewed Policies 601 through 605.

General Manager, Timothy O'Leary, indicated that Cooperative Building Solutions will examine the headquarters building on May 5th and May 6th and will check the roof, indoor air quality, the potential of having an east entrance, the board room, office configuration, having an IT room, garage doors, wash bay, the linemen room and bathrooms together with other areas of concern.

The Board was advised that there will be a highway project by the Minnesota Department of Transportation on Hwy 14 which could involve work design in front of the headquarters building of Lyon-Lincoln Electric Cooperative, Inc.

President, Dale Fier, then conducted a discussion with the Board concerning Board representation, replacement of Board Directors, requirements that Board Members should strive for, and other miscellaneous matters trying to assure that the Cooperative is led by the most knowledgeable members of the Cooperative.

The Board was advised of the following upcoming meetings:

- District 5 Meeting – July 16, 2025 at the Sleepy Eye Convention Center in Sleepy Eye.
- The Lyon-Lincoln Electric Cooperative, Inc. Board Meeting will be held on May 19, 2025 at the headquarters building in Tyler, Minnesota.

There being no further business to come before the Board, President, Dale Fier, adjourned the meeting at 1:30 o'clock P.M.

ATTEST:

Secretary

President