

MINUTES OF BOARD MEETING
Lyon-Lincoln Electric Cooperative, Inc.
Monday, December 23, 2024

The regular monthly meeting of the Board of Directors of Lyon-Lincoln Electric Cooperative, Inc. was held on Monday, December 23, 2024 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, and Joel Buyck.

The following director was absent: Jared Dritz.

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

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 November 25, 2024 and there were no changes. A motion was made by Mr. Buyck, seconded by Mr. Longtin, and carried to approve the November 24, 2024 Minutes.

President, Dale Fier, inquired whether there were any additions or changes to the Agenda. There were no changes and a motion was made by Mr. Longtin, seconded by Ms. Schreurs, 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 November 1, 2024 through November 30, 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 November, 2024. After review, a motion was made by Mr. Rokeh, seconded by Mr. Longtin, and carried to approve the shares to be accepted.

The Board reviewed the shares to be cancelled for the month of November, 2024. After review, a motion was made by Ms. Schreurs, seconded by Ms. Gunnink, 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 Wallace J. Fischer for the unretired amount of \$5,451.62 with \$2,476.96 being paid, and \$2,974.66 being discounted; and the Estate of Vernon Sanow Sr for the unretired amount of \$2,648.35 with \$1,188.52 being paid, and \$1,459.83 being discounted. A motion was made by Ms. Gunnink, seconded by Mr. Buyck, 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 October, 2024 and a Balance Sheet for October, 2024. She also reviewed the Power Requirements Data for the various rates charged by the Cooperative for October, 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 October, 2024 was 0.97 and the Equity shown on the Balance Sheet for October, 2024 was 40.12%. During the presentation made by Kristi Jensen, Director, Jared Dritz, arrived at the meeting and was in attendance. After discussion and review President, Dale Fier, indicated that the Financial and Statistical Report for the period ending October 31, 2024 was received and filed subject to audit.

The East River Board of Directors approved the pass through of the Basin Electric capital credit retirement of \$6,027,046.56. The portion of said amount that will be passed through to Lyon-Lincoln Electric Cooperative, Inc. is \$204,515.21. Said amount was paid and invested with Basin Electric and the Board will have to review what to do with the monies in December 2025.

The Board was advised of a payout from East River Electric Power Cooperative, Inc. concerning the Marketing Pool Total RECs Proceeds for 2023 and said amount was \$558.25 to Lyon-Lincoln Electric Cooperative, Inc.

Lyle Lamote, Line Superintendent, and Brian Jeremiason, Manager of Marketing and External Relations, arrived at the Board Meeting and the Board discussed the 2025 budget. After discussion General Manager, Timothy O'Leary, indicated that there would be modifications to 2025 budget and said budget will be brought back to the Board for approval at the next Board meeting.

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

Jessica Gums, Executive Assistant, attended the meeting and at that time she reviewed the forms that should be filled out in the future concerning meetings to be attended by the Board. The Board was advised of the following upcoming meetings:

- East River Energize Forum on February 5th through February 6th, 2025; to be held at the Sioux Falls Convention Center in Sioux Falls, South Dakota with the registration ending January 20, 2025 and the room block ending January 8, 2025.
- MREA Annual Meeting & Reception and Tradeshow to be held on February 18th through February 19th, 2025. The Annual Meeting to be held at the Intercontinental St. Paul Riverfront in St. Paul, Minnesota.
- The NRECA Power Exchange to be held on March 7th through March 12th, 2025 in Atlanta, Georgia. The early bird registration ends January 8, 2025.

Jessica Gums, Executive Assistant, then left the meeting and was no longer in attendance.

Lyle Lamote, Line Superintendent, indicated the following November outages involving 10 or more consumers:

- 11-2 234 consumers were off 2 hours and 30 minutes in the Townships of Custer, Monroe and Sodus. The cause was an underground fault.
- 11-8 13 consumers were off 1 hour and 15 minutes in the Townships of Eidsvold and Alta Vista. The cause was an open OCR.

Lyle Lamote, Line Superintendent, indicated that there was a November Safety Meeting held on November 13, 2024 involving the topic of: Jib Use On Energized Conductor. Mr. Lamote indicated that the linemen were doing the following work:

- They will be finishing the OCRs in the Tyler Substation.
- The linemen will be doing line patrol.

- Depending on the weather the linemen will be setting poles
- The linemen will be trimming trees and performing maintenance.

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

President, Dale Fier, left the meeting and was no longer in attendance and Vice-President, Michael Longtin, took charge of the meeting.

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

1. The Board was advised that Lyon-Lincoln Electric Cooperative, Inc. signed the CMS Agreement with Touchstone Energy to begin the process of converting the Cooperative's website to the new SHINE platform. Mr. Jeremiason compiled a list of the 25 most visited web pages to begin the process. Mr. Jeremiason indicated that additional pages will be added in the future.
2. Mr. Jeremiason uploaded a copy of the draft version of the Artificial Intelligence (AI) Tool Usage Policy to the Board Information Section of the website and advised the Board of the same. This Administrative Procedure #113 is modeled on East River's established policy and utilizes some of the safeguards they have in place. He presented this information to the Board as a matter of information.
3. Mr. Jeremiason wanted to share some information about the EV adoption and developments in the region. The MN NEVI Charges have been awarded. Grant dollars totaling over \$7.2M were awarded to 18 projects along the interstate corridors in Minnesota, primarily to Circle K and Kwik Trips. The chargers are built out from the Metro to the boarder along Interstates 35, 94 and 90. South Dakota will be adding to their network along the I-90 and I-29 routes. Brookings, Watertown, Summit, Alexandria and Moorhead are some of the closest chargers that will be added. Most manufacturers are adopting the North American Charging Standard (NACS) charging system. This is expected to help alleviate some charging and range concerns. Manufacturers who have adapted this standard include Ford, GM, BMW, Tesla, Toyota, Honda, Nissan, Rivian, Kia, Hyundai and others. General Motors plans to only sell electric cars by 2035. Ford and BMW anticipate half of global sales to be EVs by 2030. Dodge/Jeep/Chrysler expects half of the US vehicle sales to be EVs by 2030. Toyota will phase out gas powered vehicles from its lineup by 2040. In 2023 37,100 all electric vehicles are registered in Minnesota. 16,100 more plug-in hybrids are registered in the State.
4. Brian Jeremiason advised the Board of the following upcoming meetings:
 - January 9-10, 2025 – MREA Member Services and Communications Meeting.
 - January 21, 2025 – Presenting to Senior Citizens Group in Minneota, Minnesota.
 - January 24, 2025 – Presenting to Homeschool group.
 - January 31, 2025 – Presenting to Marshall Southview Elementary School in Marshall, Minnesota.

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:

1. The Board had been provided the November Power Bill. Purchases for November were 9.94% below budget for the month. This is very similar to the last two November power bills. The average purchase power rate for November was 67.42 mills/kWhs versus the budgeted amount 60.86 mills/kWh. The lower purchases are the result of a mild November. Unfortunately, the Cooperative's peak demand happened on November 30, 2024 and resulted in higher demand costs for the month.
2. Lyon-Lincoln Electric Cooperative, Inc.'s kWh purchases through the month of November are currently 96.09% of the budget. It's kWh sales to members through November were currently 95.83% of the budget. The line loss for the year stands at 5.48%.

Lyle Lamote, Line Superintendent, attended the Board Meeting and discussed with the Board the possibility of obtaining a Grant for the mulcher. Mr. Lamote will be filing an application for the possibility of receiving a \$10,000.00 Grant for the mulcher. After Lyle Lamote indicated what he was planning on completing, he left the meeting and was no longer in attendance.

3. East River Electric Power Cooperative, Inc. MAC meeting included some of the following topics:
 - a. Robert K. Sahr, CEO/General Manager, for East River Electric Power Cooperative, Inc., updated the MAC Group on the recent Basin capital credit retirement from Basin's 2008 allocation. Lyon-Lincoln Electric Cooperative, Inc. will receive \$204,515.21 from the retirement and will invest the money with Basin until the next capital credit retirement for the Cooperative in December of 2025.
 - b. Mr. Sahr reported on the most recent Basin managers meeting where they discussed Basin registering with the Securities Exchange Commission (SEC) and what a contribution in aid of construction (CIAC) might look like as Basin looks at adding larger loads to the system. First, Basin is looking at registering with the SEC to lower borrowing costs. There are pros and cons to this idea and General Manager, Timothy O'Leary, reviewed the same with the Board. Basin is looking at the CIAC program that would have large loads pay a percentage of the cost to add new generation to serve the large load. This is an idea that many Investor-Owned Utilities (IOUs) are looking at implementing to meet new crypto and data center loads.
 - c. WAPA is looking at making changes to the general contract to allow for the sale of renewable energy credits (RECs) associated with WAPA's hydroelectric generation. In other WAPA news, the drought adder will be reduced with WAPA's upcoming rate increase. The drought adder will go down by .98 mills/kWh in 2025 and WAPA has indicated another drop in 2026. The reduction in the drought adder coincides with the increase in base rates over the next two years.
 - d. The East River Electric Power Cooperative, Inc.'s staff provided an overview on East River's Annual Transmission Revenue Requirement (ATRR) with the Southwest Power Pool (SPP) and the Midwest Independent System Operator (MISO) and how it is determined each year. The ATRR is an amount of revenue the East River Electric Power Cooperative, Inc. receives from the Regional Transmission Organization (RTO) each year to reimburse East River for its costs for plant included in the RTO. The East River Electric Power Cooperative, Inc.'s staff explained the rules that each RTO has that specify which facilities are eligible for inclusion in the RTO transmission system.

- e. Chris Studer, Chief Member and Public Relations Officer for East River Electric Power Cooperative, Inc., gave an update on the Energize Forum which is scheduled for February 5th through February 6th, 2025 in Sioux Falls, South Dakota. John Suter, CFC, will provide an economic outlook, Todd Brickhouse will provide a Basin update, there will be a keynote speaker on the American Story, a discussion of dairies and digestors, and Bob Gale and his band will play at the evening meal.
 - f. Mark Hoffman, Chief Operations Officer, gave an update on large loads that are asking to interconnect on the East River system. The requests now exceed 2700 MWs.
 - g. Christ Studer, Chief Member and Public Relations Officer, gave a recap of the election results.
4. General Manager, Timothy O’Leary, advised the Board that the Cooperative is updating the Employee Handbook to include information on the Paid Time Off Program and the Extended Sick Leave Account. The language will match the language in the recently approved Union Contracts.
5. The Board was advised of the following scheduled meetings:
- January 7, 2025 the East River Electric Power Cooperative, Inc. MAC and REED Meetings will be held.
 - January 12th through January 15th, 2025 the NRECA CEO Close-Up Meeting will be held.
 - January 21, 2025 the East River Marketing and Communications Committee will be held.
 - January 27, 2025 there will be a Board Meeting for Lyon-Lincoln Electric Cooperative, Inc. at the headquarters building in Tyler, Minnesota.

The Board reviewed the Lyon-Lincoln Electric Cooperative, Inc.’s Cyber Report for November, 2024 which had been prepared by East River Cyber Security Department for Lyon-Lincoln Electric Cooperative, Inc.

It was pointed out to the Board that the East River Board Meeting draft minutes for November, 2024 were in the Call to Order App that the Board could access.

The Board then reviewed an Agreement to Provide Legal Services which had been presented by Attorney, Michael W. Cable, and after review a motion was made by Mr. Grant, seconded by Mr. Dritz, and carried to approve the Agreement to Provide Legal Services and authorizing the President and Secretary to sign the same.

The Board reviewed Rate Schedule #12 which was Lyon-Lincoln Electric Cooperative, Inc. Station Service Rate for Wind Resources in MISO Transmission System. The Board also reviewed Rate Schedule #15 for Lyon-Lincoln Electric Cooperative, Inc. which was the Station Service Rate for Waste Heat to Energy Conversion Systems. After review and discussion, a motion was made by Mr. Rokeh, seconded by Ms. Schreurs, and carried to approve Rate Schedule #12 and Rate Schedule #15.

There was discussion concerning the need to designate delegates and alternates for the following meetings and after review the following motions were completed:

- A motion was made by Mr. Buyck, seconded by Ms. Gunnink, and carried to designate President, Dale Fier, as the delegate and Director, James Rokeh, as the alternate for MREA 2025 Membership Meetings.

- There was discussion concerning the NRECA Director Election and the need for a delegate and alternate and after discussion a motion was made by Ms. Gunnink, seconded by Mr. Dritz, and carried to designate Secretary/Treasurer, Kathy Schreurs, as the delegate and Director, Joel Buyck, as the alternate for said NRECA Director Election.
- There was discussion concerning the NRECA Annual Meeting and the need for a delegate and alternate and after discussion a motion was made by Mr. Buyck, seconded by Mr. Rokeh, and carried to designate Director, Jared Dritz, as the delegate and Director, Galen Grant, as the alternate.
- There was discussion concerning the NRTC and NISC Meetings and the need for a delegate and alternate and after discussion a motion was made by Ms. Gunnink, seconded by Mr. Buyck, and carried to designate Director, Galen Grant, as the delegate and Director, Jared Dritz, as the alternate to said meetings.

The Board reviewed the Strategic Planning Implementation Tracking Model that was completed in May of 2024 for Lyon-Lincoln Electric Cooperative, Inc.

The Board adjourned for lunch at 12:07 o'clock P.M. and watched the East River Electric Power Cooperative, Inc. monthly video report which included the Basin Summary. The Board reconvened at 12:40 o'clock P.M.

The Board reviewed Policy 301 – Functions and after review there were no changes.

The Board reviewed Policy 404 – Member Information and there was discussion concerning whether to have Form 990 and the Board Minutes accessible online. During the discussion of Policy 404, Director, Joel Buyck, left the meeting and was no longer in attendance. General Manager, Timothy O’Leary, was going to check what the present definition of a highly paid employee is for purposes of Form 990. General Manager, Timothy O’Leary, asked the Board to think about whether they wanted to have Form 990 and the Board Minutes posted for members to review over the internet. Policy 404 will be reviewed at the Board Meeting in January, 2025.

Vice-President, Mike Longtin, adjourned the meeting at 1:18 o'clock P.M.

ATTEST:

Secretary

President