

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

The regular monthly meeting of the Board of Directors of Lyon-Lincoln Electric Cooperative, Inc. was held on Monday, July 28, 2025 at 9:30 o'clock A.M. at the headquarters building in Tyler, Minnesota.

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

The following director was absent: Scott Johnson.

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 and there were corrections to be made and after the same were made a motion was made by Mr. Dritz, seconded by Ms. Gunnink, and carried to approve the Minutes of June 23, 2025.

President, Dale Fier, inquired whether there were any additions or changes to the Agenda and General Manager, Timothy O'Leary, indicated items indicated under Management Reports as 3 a and b will be reversed so that the Operations Department/Safety Report will be held first and the Financial Administration Report will be held second. With that change noted, a motion was made by Mr. Buyck, 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 June 1, 2025 through June 30, 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 June, 2025. After review, a motion was made by Ms. Gunnink, seconded by Mr. Rokeh, and carried to approve the shares to be accepted.

The Board reviewed the shares to be cancelled for the month of June, 2025. After review, a motion was made by Mr. Dritz, 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 Glenda Garbers for the unretired amount of \$4,339.07 with \$1,826.72 being paid, and \$2,512.35 being discounted; the Estate of David F. Kessen for the unretired amount of \$2,107.20 with \$1,006.41 being paid, and \$1,100.79 being discounted; the Estate of Barbara Possail for the unretired amount of \$3,425.45 with \$1,183.20 being paid, and \$2,242.25 being discounted; the Estate of Ronald Reinke for the unretired amount of \$4,342.19 with \$2,102.78 being paid, and \$2,239.41 being discounted; and the Estate of Jack Vizecky for the unretired amount of \$5,100.27 with \$2,337.39 being paid, and \$2,762.88 being discounted. A motion was made by Ms. Schreurs,

seconded by Mr. Longtin, and carried to approve the payment of capital credits to said Estates.

Lyle Lamote, Line Superintendent, then was in attendance at the meeting and gave the June Outage Report and it was as follows:

- On June 20th, 26 consumers were off 2 hours and 25 minutes in the Townships of Coon Creek and Lyons. The cause was a burn down of the primary wire.
- On June 28th, 267 consumers were off 5 minutes out of the Marble Substation. The cause was East River lost the Marble Sub due to a thunderstorm.
- On June 30th, 253 consumers were off 45 minutes in the City of Lynd. The cause was an underground wire that was hit by a contractor.

Mr. Lamote indicated that on June 18, 2025 there was a Safety Meeting concerning the topic of Annual Pole Top/Bucket Rescue. Erik Boder, MREA's Safety Instructor, conducted the annual Pole Top and Bucket Rescue with Mayday Review.

Mr. Lamote indicated the following concerning what linemen were working on and other matters:

- Mr. Lamote reviewed with the Board a flash burn that occurred at Federated Rural Electric Association.
- The linemen were finishing underground cable work west of Ivanhoe.
- Mr. Lamote indicated that there were 12 underground jobs that had been completed.
- There was 7 miles of 3 phase line to be replaced near Verdi.
- There were 2 poles in Russell, Minnesota that had to be replaced.
- Mr. Lamote discussed with the Board the Rural Electric Safety Achievement Program and coordination that took place with the linemen and Anthony Lenz, Safety Director.

General Manager, Timothy O'Leary, reviewed Policy 604-Line Extensions with the Board. After discussion, General Manager, Timothy O'Leary, said that he would revise Policy 604-Line Extensions and present it to the Board at the August Board Meeting. Lyle Lamote, Line Superintendent, and General Manager, Timothy O'Leary, reviewed with the Board Overhead Door Quotes that had been obtained from Tyler Lumber and Shuck Garage Doors. After discussion, a motion was made by Mr. Buyck, seconded by Mr. Dritz, and carried authorizing management to proceed with the installation of the doors in accordance with the quote from Shuck Garage Doors in the amount of \$90,678.65 with management given the authority to exceed the quote if necessary but not to exceed \$100,000.00.

Chris Swendenski, Minnesota State Representative, and Jenny Glumack, Director of Legislative Affairs for MREA, met with the Board and reviewed the events of the past Legislative Session. Brian Jeremiason, Manager of Marketing and External Relations, and Lyle Lamote, Line Superintendent, were also in attendance. There was discussion concerning various topics such as Prairie Island, Nuclear Power, AI Data Centers, Minnesota Nuclear Energy Alliance, the possibility of lifting the Nuclear Moratorium, Net Metering Reform together with other matters. After discussion with the Board Chris Swendenski and Jenny Glumack left the meeting and were no longer in attendance. Lyle Lamote, Line Superintendent, also left the meeting and was no longer in attendance.

Finance Manager, Kristi Jensen, reviewed the Financial and Operating Report with the Board which included the Income Statement for May, 2025 and a Balance Sheet for May, 2025. She also reviewed the Power Requirements Data for the various rates charged by the Cooperative for May, 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 May, 2025 was 0.67 and the Equity shown on the Balance Sheet for May, 2025 was 40.57%. After discussion and review President, Dale Fier, indicated that the Financial and Statistical Report for the period ending May 31, 2025 was received and filed subject to audit.

The Board reviewed a Memorandum received from East River Electric Power Cooperative, Inc. to the Member Systems of said Cooperative concerning Environmental Attributes Sale Proceeds Distribution and the Memorandum indicated that the Wind RECs for 2024 and the Waste Heat Recovery REC (2024) for Lyon-Lincoln Electric Cooperative, Inc. was \$39,876.24.

The Board reviewed information it had received from the Federated Rural Electric Insurance Exchange (FREIE) which provided information concerning the Minnesota Group Retention Program for the policy period January 1, 2023 through December 31, 2023, January 1, 2024 through December 31, 2024 and January 1, 2025 through December 31, 2025 as of June 30, 2025. The Board received a check from Federated Rural Electric Insurance Exchange for \$14,510.00 which represented a payment for the Minnesota Group Retention Program from FREIE.

The Board reviewed Form 990 which is required to be filed because Lyon-Lincoln Electric Cooperative, Inc. is an organization exempt from Income Tax. The Form 990 was prepared by Eide Bailly.

The CFC Key Ratio Trend Analysis (KRTA) was reviewed with the Board which was prepared by NRUCPC. Staff would discuss additional KRTA information at the August board meeting.

The Board reviewed a floor plan concerning the remodeling being proposed for the headquarters building of Lyon-Lincoln Electric Cooperative, Inc. General Manager, Timothy O'Leary, advised the Board that Cooperative Building Solutions will be present at the September Board Meeting on September 29, 2025 concerning this floor plan and remodeling of the headquarters building in Tyler, Minnesota.

The Board recessed for lunch at 12:15 o'clock P.M. and reconvened at 12:40 o'clock P.M.

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

1. Mr. Jeremiason advised the Board that at the June Board Meeting he was asked to report back on some of the larger solar projects planned for the area. There has been a lot of discussion by the Lincoln County Commissioners about this topic and according to the Minnesota Commerce Department there are currently no large scale projects approved for Lincoln County and there are 2 in Lyon County. Coneflower Solar proposes to develop a project on approximately 1,723 acres within a site of 2,299 acres in Custer Township. There are two scenarios for connecting to the grid for this project, either a new substation in the north-central portion of the site and interconnection to the existing Lyon County to Lake Yankton 115 kV transmission line. The second option would connect to a new substation on the east side of the project near Garvin. This project spans on either side of Highway 14 east of Balaton to Highway 59 north of Garvin. The Minnesota Solar Project has been talked about and proposed for a couple of years. This project is being developed by EDF Renewable

Energy. They have been active in the area for a couple of years, but no permits have been approved according to the PUC.

2. Mr. Jeremiason advised the Board that draft copies of the Load Control Receiver Replacement Letters to members and area contractors was included in the Board information section of the Call to Order app. The contractor letter will be mailed within the next couple of weeks. Once the Cooperative is able to coordinate a plan with the electricians, the membership letter will be mailed out. The goal is to begin replacement process during the 4th quarter of 2025 and complete the replacement process by the end of 2028.
3. The website for Lyon-Lincoln Electric Cooperative, Inc. is in the final stages of completion. Brian Jeremiason had a meeting with 2 of Touchstone Energy's web developers to go over some final changes and get a launch schedule put together. They are testing all links now and doing some quality control with the hopes of going live the week of the 28th. Mr. Jeremiason had a good conversation concerning the radio ads with the new advertising contact at Marshall Radio and the Cooperative is going to continue rotating its ads that were recently approved focusing on SmartHub, safety and energy efficiency. The Cooperative is also going to rotate in some seasonal ads that focus on harvest safety in the fall, storm preparedness in the winter, planting and digging safety for farm and home in the spring and some limited ads focusing on the Annual Meeting next summer. The Board was advised by Mr. Jeremiason that presently the Co-op has 2 open projects currently under construction in the Co-op's service area for solar. With the solar tax credits being eliminated at the end of the year, Mr. Jeremiason anticipated that the Cooperative will likely see a pause in new projects for a while.
4. Mr. Jeremiason advised the Board of his upcoming meetings that included Farmfest on August 6, 2025 and Basin Annual Meeting on August 12th through August 14th, 2025.

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:

1. The Board had been provided the June Power Bill from East River Electric Power Cooperative, Inc. The June numbers are lower than budget coming in at 97.13% of the budget. The budget had an average rate for the rate of 77.14 mills/kWh and the actual rate came in at 80.60 mills/kWh.
2. Lyon-Lincoln Electric Cooperative, Inc.'s kWh purchases through the month of June are currently 99.55% of the budget. It's kWh sales to members through June are currently 99.28% of the budget and the line loss for the year is 5.20%.
3. The Cooperative received notice that the Southwest Regional Development Cooperation paid off the remaining balance on their REED and REDG Loans. The original loans were \$150,000.00 and \$300,000.00 and were used for the Southwest Regional Development Corporation's PACE Program.
4. The East River Electric Power Cooperative, Inc. MAC Meeting included some of the following topics:

- a. East River Electric Power Cooperative, Inc. had good margins in May but remained about \$300,000.00 under budget due to lower power sales and a one-time bill adjustment that was completed earlier in the year. Basin posted a consolidated loss of \$7M in May. Basin consolidated margins through May are \$31M above budget.
 - b. Chris Studer, Chief Member and Public Relations Officer, for East River Electric Power Cooperative, Inc., had been named the Interim Executive Director at Midwest as Midwest looks for Jim Horan's replacement. Midwest continues to look at WAPA's efficiency. To date, 57 out of 356 FTEs have left. Drought adder will remain the same in 2026 and the rate increase for 2026 will remain the same.
 - c. Robert Sahr, CEO/General Manager, of East River Electric Power Cooperative, Inc., reported on the recent Basin Class A Manager's Meeting and touched on four items. The group talked about the new large load rate which was recently approved by the Basin Board. The new rate and onboarding policy went into effect on July 1, 2025. That led to a discussion at the MAC Meeting on when East River will need to be involved with large new loads. East River's policy sets the threshold at 2MW or when loads grow to 2MW or more. They looked at the allocations for new large loads and the consolidated G&Ts are not happy that they each get 25MW in the emerging/technology category and each District 9 member receives 25MWs. This is something that will need to be fixed moving forward. They looked at when rate increases are implemented. As a reminder, Basin and WAPA are expected to raise rates in 2026. WAPA is expected to stay with their numbers from last year, but Basin has indicated that they might implement a higher increase than mentioned last year which was 2.7%. This will be a tough sell when their current consolidated margins exceed budget by \$31M. The last item which Robert K. Sahr believes is driving the higher rate increase talk is the capital spending that is expected over the next number of years. Last year, Basin expected to spend \$8.5B on capital projects and now they are expecting \$11.9B.
 - d. McKenzie has filed a complaint at FERC over Basin's loan application with RUS. McKenzie says that the application is a sham loan and that Basin should remain under FERC jurisdiction. Wright-Hennepin and Tri-State have filed on the complaint and indicated that the Administrative Law Judge ruling and returns associated with them should remain intact even if Basin is able to leave FERC jurisdiction.
 - e. The Class D changes in the East River Electric Power Cooperative, Inc. bylaws and resolutions will be brought to the membership at the Annual Meeting and there were some changes to the resolutions that will be mailed out for review.
5. NRECA has indicated that there will be no dues increase in 2026.
 6. The Board was advised of the following scheduled meetings:
 - August 5, 2025 the East River MAC/REED Meeting.
 - August 11th through August 14th, 2025 the Federated Insurance Board Meeting.
 - August 25, 2025 the Lyon-Lincoln Electric Cooperative, Inc. Board Meeting.

General Manager, Timothy O’Leary, reviewed with the Board the 2026 proposed rate increase that was being made by Basin Electric Power Cooperative, Inc. The proposed rate increase was driven by the following key factors, including:

- a. Member Load Growth,
- b. Commodity Prices,
- c. SPP Reserve Requirements, and
- d. Reliability

It was indicated to the Board that the 2026-2035 forecast does not account for additional growth that will be served through Basin Electric Power Cooperative, Inc.’s large load program. Basin indicated that the difference between last year’s forecast and this year’s is as follows:

- Increase in targeted margins due to higher levels of capital spent earlier.
- Changes in member surplus sales and purchased power costs.
- Change in Dakota Gas results.
- Increased maintenance expenses.
- Increase interest expense due to additional debt issuance and interest rate forecast.

The Board reviewed the Lyon-Lincoln Electric Cooperative, Inc.’s Cyber Report for June, 2025 which was prepared by East River Cyber Security Department.

Director, Mike Longtin, gave a brief report concerning the East River Meeting with an explanation as to the proposed Basin rate increase.

General Manager, Timothy O’Leary, pointed out to the Board that they should review the draft Minutes in the Call to Order App for June, 2025 for the East River Electric Power Cooperative, Inc. Board Meeting.

There was discussion concerning the CFC Forum/Federated Annual Meeting by General Manager, Timothy O’Leary, with the Board.

General Manager, Timothy O’Leary, reviewed with the Board the Strategic Plan Update.

There was discussion concerning the NRECA Annual/Regional Meeting and it was brought to the Board’s attention that there needed to be a delegate and an alternate selected for said NRECA Annual Meeting. After discussion a motion was made by Mr. Longtin, seconded by Mr. Buyck, and carried to appoint Director, James Rokeh, as the delegate and Director, Mary Gunnink, as the alternate.

There was then discussion concerning the CoBank 2025 Director Election and after discussion a motion was made by Mr. Longtin, seconded by Mr. Dritz, and carried to authorize the Cooperative to vote for Robert (Mac) N. McLennan as the director.

There was then presented to the Board a Designation of Authorized Representative from Basin Electric Power Cooperative, Inc. After discussion a motion was made by Mr. Grant, seconded by Mr. Rokeh, and carried to designate Director, Mike Longtin, Director, Galen Grant, and Director, James Rokeh, as the delegates to Basin Electric Power Cooperative, Inc.

The Board was advised of the following upcoming meetings:

- Energy Issues Summit - August 7-8, 2025; Bloomington, Minnesota.
- CCD 2610.1 – Understanding the Electric Business – Online – August 19-20, 2025.
- Basin Electric’s 2025 Annual Meeting will be held on August 12-14, 2025.

- East River Electric’s 75th Annual Meeting on September 3, 2025 at the Ramkota Hotel in Sioux Falls, South Dakota.
- 2025 Regions 5 & 6 Meeting on September 23-25, 2025 in Madison, Wisconsin.

There being no further business to come before the Board, President, Dale Fier, adjourned the meeting at 2:15 o’clock P.M.

Secretary

ATTEST:

President