MINUTES OF BOARD MEETING
Lyon-Lincoln Electric Cooperative, Inc.
Monday, June 24, 2024

The regular monthly meeting of the Board of Directors of Lyon-Lincoln Electric Cooperative, Inc. was held on Monday, June 24, 2024 at 9:30 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.

The following Directors were elected at the Annual Meeting of the Members for the following Districts:

District One for a 3-year term	Mary Gunnink
District Two for a 3-year term	Joel Buyck
District Three for a 3-year term	Jared Dritz

President, Dale Fier, indicated the first order of business would be the election of officers and turned the meeting over to Attorney, Michael W. Cable, to conduct the election of officers. The Board conducted a ballot vote for the election of officers. After the ballot voting had been taken for the offices of President, Vice-President, and Secretary/Treasurer a motion was made by Mr. Grant, seconded by Ms. Gunnink, and carried to cast unanimous ballots in favor of the following directors being elected to the following offices until their respective successors shall have been elected and shall have qualified:

President –	Dale Fier
Vice-President –	Mike Longtin
Secretary/Treasurer –	Kathy Schreurs

President, Dale Fier, indicated to the Board that it was necessary to make committee appointments. The Board had an opportunity to review and discuss the appointments with General Manager, Timothy O'Leary. After that discussion the following committee assignments for 2024-2025 were made by President, Dale Fier:

Policy	Kathy Schreurs – District 1
	Galen Grant – District 2
	Jared Dritz – District 3
Salary	Mary Gunnink – District 1
	James Rokeh – District 2
	Mike Longtin – District 3
By-Law	Scott Johnson – District 1
	Joel Buyck – District 2
	Dale Fier – District 3

President, Dale Fier, indicated to the Board that it was necessary to make appointments for the Operation RoundUp Board and after discussion a motion was made by Mr. Rokeh, seconded by Mr. Longtin, and carried to appoint Member, Greg Kohler, for District One; Member, Michelle Williams, for District Two; and Member, Ann Longtin, for District Three to serve a second term on the Operation RoundUp Board. The Lyon-Lincoln Electric Cooperative, Inc. Board was reminded that they will need to find three replacements next year for serving on the Operation RoundUp Board because next year the three members whose terms are up and have served for two terms.

President, Dale Fier, inquired whether there were any changes to the Minutes of the May 20, 2024 Board Meeting and there were no changes. A motion was made by Mr. Buyck, seconded by Mr. Dritz, and carried to approve the Minutes of May 20, 2024.

President, Dale Fier, inquired whether there were any additions or changes to the Agenda and General Manager, Timothy O'Leary, indicated that he had no changes. A motion was made by Mr. Buyck, seconded by Mr. Grant, 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 May 1, 2024 through May 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 May, 2024. After review, a motion was made by Mr. Dritz, 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 May, 2024. After review, a motion was made by Mr. Rokeh, seconded by Ms. Schreurs, 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 Robert Merritt for the unretired amount of $2,942.46 with $1,352.92 being paid, and $1,589.54 being discounted; the Estate of Otto Nyquist for the unretired amount of $6,424.90 with $2,984.96 being paid, and $3,439.94 being discounted; the Estate of Eugene Isfeld for the unretired amount of $901.95 with $645.23 being paid, and $256.72 being discounted; and the Estate of Barbara Sumerfelt for the unretired amount of $1,763.43 with $630.92 being paid, and $1,132.51 being discounted. A motion was made by Mr. Buyck, 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 April, 2024 and a Balance Sheet for April, 2024. She also reviewed the Power Requirements Data for the various rates charged by the Cooperative for April, 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 April, 2024 was 0.34 and the Equity shown on the Balance Sheet for April, 2024 was 40.56%. After discussion and review President, Dale Fier, indicated that the Financial and Statistical Report for the period ending April 30, 2024 was received and filed subject to audit.

Kristi Jensen, Finance Manager, indicated to the Board that $2.1M could be drawn out of the RUS Loan, but it is not needed as of this date.

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

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

- On May 3, 2024 117 consumers were off 1 hour and 30 minutes in the Townships of Ash Lake and Lake Stay. The cause for the outages was broken pole top pins from a lightning strike.

There was also a Safety Meeting which had been held on May 7, 2024 by Erick Boder, MREA's Safety Instructor, concerning the topic of Annual Pole Top/Bucket Rescue and Emergency Action. Mr. Lamote presented to the Board photographs that had been taken during said Safety Meeting. Mr. Lamote indicated to the Board that Central Applicator had come back to finish spraying the east part of the service territory for Lyon-Lincoln Electric Cooperative, Inc. Mr. Lamote also indicated that the linemen were doing the following work some of which had been completed and some were still in process:

- The linemen are replacing 5 miles of three phrase line west of Russell.
- The linemen were replacing 1 mile of three phrase line 2 miles north of Lynd.
- There are 10 service lines left to get out of the trees.

General Manager, Timothy O'Leary, and Lyle Lamote, Line Superintendent, advised the Board that after December 1, 2024 the Cooperative will have to have an Environmental Review for moving overhead lines to underground that are not approved in the Construction Work Plan.

There was general discussion concerning the request of Kevin Buysse to have Lyon-Lincoln Electric Cooperative, Inc. serve him with a three phase line, but he was not located in the service territory for Lyon-Lincoln Electric Cooperative, Inc. and Mr. Buysse was advised that the Cooperative will not consider servicing him with a three phase line unless Minnesota Valley Cooperative Light & Power Association would agree to have Lyon-Lincoln Electric Cooperative, Inc. serve him with power.

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. The Board was advised that Lyon-Lincoln Electric Cooperative, Inc. processed its first EV Rebate the week of June 24th and a member with a Tesla will be getting a $500.00 rebate. The member is not eligible for the new discount rate since the member has a solar DG system installed at their residence. The Board was advised that the Cooperative has now completed all open solar applications, however, the Cooperative is continuing to get calls from developers. The following year to date rebates have been completed:

    - LED Lighting – 4 rebates - $2,598.00 rebated – 8,660 Watts saved
    - EV Vehicles – 1 rebate - $500.00 rebated
    - Heat Pumps – 2 Mini Splits, 1 Air Source Heat Pump, 3 Geothermal

2. On June 4, 2024 the Minnesota Home Energy Rebate program design team hosted an online informational session to kick off the planning of Minnesota's Home Energy Rebates Program. Rebates are meant for Energy and Weatherization Assistance Programs, Solar Programs, Electrical Panel Upgrade Rebates, Geothermal and Air Source Rebates and other efficiency improvements. Final programs may also include electrification incentives for conversion of lawn equipment, cooking equipment and other home uses. There will be consideration for ongoing programs and a focus on Justice 40 initiatives. The maximum rebate per household for Home Electrification and Appliance Rebate (HEAR) Program will be $14,000.00. HEAR is limited to low- and middle-income families making less than 150% of AMI (Area Median Income). If the household earns less than 80% of AMI the rebates can cover up to 100% of project costs. If the household earns 81-150% of the AIM they can cover up to 50% of the project costs. The Home Efficiency Rebates (HOMES) Program is also capped at $14,000.00 per household. Families earning less than 80% of AMI can cover up to 100% of project costs, 81% and greater can cover up to 50% of the project costs, and for multifamily units to qualify 50% of households in the unit must meet AMI thresholds. They are still in the design phase of the program and anticipate rolling the program out in the spring of 2025 and will run through 2031 or as soon as the funds are used up. This will not be a retroactive program.

3. Mr. Jeremiason advised the Board that he worked with the Marshall Radio Station to update the ad rotation. The Cooperative has added some new farm safety, solar awareness and Electric Vehicle information pieces that will run in rotation with some of the existing ads. These will all encourage the listeners to visit the website or call the Cooperative for more information and will include the Cooperative's existing tags at the end.

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 May Power Bill which showed that the demand and sales were slightly under budget. The Cooperative was under its budget rate of 69.22 mills/kWh with a rate of 67.33 mills/kWh for the month of May.

2. Lyon-Lincoln Electric Cooperative, Inc.'s kWh purchases through the month of May are currently 93.39% of the budget. It's kWh sales to members through May are currently 93.63% of the budget. The line loss through May was 4.52%.

3. The Board was advised that the Cooperative has been working on minor construction projects because there were changes for minor construction rules originally to be effective July 1st of this year. The Cooperative has been informed that the new minor construction rules have been postponed until December 1, 2024 which will allow the Cooperative a full construction season to wrap up some minor construction projects before moving to the new approval process.

4. The East River Electric Power Cooperative, Inc. MAC Meeting included some of the following topics:

a. Todd Brickhouse, Interim CEO and General Manager, of Basin Electric Power Cooperative, Inc. announced that Basin would be building a 1400MW natural gas generating plant. The plant is expected to cost approximately $2.8B and meet Basin's nearly 3,000 MW load growth projections. The location of the plant will be determined at a future date.

b. Governor, Kristi Noem, of South Dakota called all the South Dakota Utilities together to visit with NuScale about nuclear energy being developed in South Dakota. NuScale is the only company currently certified to build small modular reactors (SMR). The meeting included Entra1 which is a company that would finance and develop any project with NuScale. The discussion revolved on a project that would include up to 12 modules (each module is 77MW) for a total project size of 924MW. Each module has its own steam turbine and would run for 2 years. The site would be between 40 to 60 acres in size and there would have to be housed 60 years of spent fuel for 130 years. 260-275 employees would be needed for the project. Basin indicated that it would not want to be serial #1, and it wouldn't look to get anything like this online before 2040. A 924MW SMR project could cost up to $9.2B while a similar size natural gas project would come in closer to $2B.

c. Robert Sahr, CEO/General Manager, of East River Electric Power Cooperative, Inc., gave the MAC Board updates on the NRECA's lawsuit against the EPA regarding its new power plant rules. NRECA continues to call the rules unlawful, unrealistic, and unachievable. NRECA is working with 27 states to strike down the rule and will look to get the rule stayed at the Supreme Court (just like they did during the Obama Administration) if they are unsuccessful at the DC Circuit Court. SPP has issued a two-page statement on the rule and it revolves around the compliance timeline, the availability of gas infrastructure needed to meet compliance, and reliability.

d. Basin Crypto/Large Load Rates – FERC staff ruled that both rate filings were deficient in their filings. FERC has asked Basin for more information on how it came up with the rates and their justification for the rates. The earliest the rates could go into effect now is September 1, 2024 and will depend on FERC proceeding with the filing.

e. Judge Hempling released his decision on the Basin rate filing for 2020 and 2021. The following organizations had asked the Administrative Law Judge to disallow certain parts of Basin's rate filing. Tri-State, Wright-Hennepin, and Minnesota Valley wanted the Judge to disallow the depreciation costs and transmission costs due to them having contracts that run through 2050 versus 2075 like the rest of the Basin Membership. McKenzie Electric wanted costs associated with Dakota Gas Company (DGC) disallowed from the rate and the Judge ruled in their favor due to the costs not being associated with providing electricity to the membership. The Judge indicated that Basin should return, he isn't sure how they should return it, $471.5M due to DGC costs being in the electric rate. The Judge rejected the Sierra Club's proposal to disallow $207.4M in costs related to power plants but will allow them to seek disallowances in future rate cases. Basin will review the initial decision and then appeal it to the FERC. This process is years away from being settled. East River will be asking Basin for more information and will share it when Basin makes it available.

The rate filings for 2022 through 2024 will be held in abeyance until FERC issues an Order on this case.

f. Lyon-Lincoln Electric Cooperative, Inc. received an update on the Next Generation Load Management Program. The Cooperative was told that they are sending test signals out from the system and training the operators. The next step is to get the cellular receivers out to be installed across the system and work with third party vendors on integration of their products.

5. General Manager, Timothy O'Leary, signed up for Voices for Cooperative Power Program and sent an email to the Cooperative's legislators on the EPA Power Plan. Mr. O'Leary received a letter back from Senator Smith's Office. His email opposed the efforts of EPA and their power plant rule and the Senator's letter indicated that she would continue to work on getting renewable energy built and support federal policies that support clean energy.

6. General Manager, Timothy O'Leary, visited with Senator Weber about small wind/solar and the Cooperative's grid access fee and average retail rate payments. Senator Weber shared this information with a small wind company that would like to locate in Minnesota. The sales director responded to the Senator and indicated the sales director would like to visit with General Manager, Timothy O'Leary, about the high grid access fee. Mr. O'Leary sent an email to the sales director explaining how the fee works.

7. The Cooperative is still looking at legislative changes that were made to the Earned Sick and Safe Time, salary ranges in job postings, and other changes made this year in St. Paul, Minnesota. Each year it gets harder to do business in Minnesota as new rules are written in St. Paul. Staff will provide more detail as the Cooperative learns more about the impacts of these legislative changes.

8. The Board was advised of the following scheduled meetings:

   - On July 1, 2024 the East River Electric Power Cooperative, Inc. MAC and REED Meeting will be held.
   - On July 22, 2024 the Lyon-Lincoln Electric Cooperative, Inc. Board Meeting will be held.
   - On July 26, 2024 General Manager, Timothy O'Leary, will be on vacation.

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

General Manager, Timothy O'Leary, reviewed with the Board the LL May Cyber Security Program Report completed by East River Cyber Security Department dated June 4, 2024.

General Manager, Timothy O'Leary, reviewed with the Board the CFC Forum that he had attended on June 17-19, 2024 at Indianapolis, Indiana. He discussed with the Board the topics that had been presented at said Forum and reviewed with the Board the speakers and moderators at the CFC Forum.

The Board recessed for lunch at 12:02 o'clock P.M. and at that time viewed the East River Electric Power Cooperative, Inc. monthly video report which included the Basin Summary.

The Board reconvened at 12:25 o'clock P.M. at which time Vice-President, Mike Longtin, reviewed with the Board some of the topics that had been discussed at East River which included some of the issues that had been created concerning the transmission line going through the Reservation of the Crow Creek Tribe.

General Manager, Timothy O'Leary, called to the Board's attention the East River Board Meeting draft minutes that were for the May 24, 2024 meeting and indicated that said minutes were available in the Call to Order App and recommended that the Board review the same.

There was general discussion concerning the Annual Meeting with the membership that had been held on June 5, 2024.

The Board and General Manager, Timothy O'Leary, reviewed the Strategic Planning Session information that had been completed as a result of the Board's meeting on May 20th and May 21st, 2024 at the Heritage Event Center in Taunton, Minnesota. There was review of the table of contents, the mission, the SWOT analysis concerning strengths, weaknesses, opportunities, and threats. There was also pointed out to the Board the strategic goals and objectives that had been highlighted and developed at said meeting.

There was discussion concerning the East River Annual Meeting delegate and a motion was made by Mr. Rokeh, seconded by Ms. Gunnink, and carried to designate Vice-President, Mike Longtin, as the delegate to the East River Annual Meeting and President, Dale Fier, as the alternate. After further discussion a motion was made by Mr. Rokeh, seconded by Ms. Gunnink, and carried to change the delegate and alternate to the East River Annual Meeting so that Director, Galen Grant, was the delegate and President, Dale Fier, was the alternate.

The Board reviewed information that had been received concerning the RESCO Director election and after review a motion was made by Ms. Gunnink, seconded by Mr. Dritz, and carried to cast the Cooperative's vote for Director, James Rokeh, as the candidate for the director position with RESCO.

Policy 306 concerning Director Reimbursement was reviewed by the Board and a motion was made by Mr. Johnson, seconded by Mr. Dritz, for the directors to receive no compensation for the Annual Meeting of Lyon-Lincoln Electric Cooperative, Inc. The motion failed to pass.

The Board was advised of the following upcoming meetings:

- The District 5 Meeting to be held on July 17, 2024 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 in Bloomington, Minnesota. There will be a Pre-Conference Education – NRECA BLC 965.1: Electric Vehicles: Strategy & Policy Considerations to be held on August 6, 2024.
- Basin Electric's 2024 Annual Meeting will be held on August 13th thru August 15th, 2024.

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

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Secretary

ATTEST:

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President