MINUTES OF BOARD MEETING
Lyon-Lincoln Electric Cooperative, Inc.
Monday, March 28, 2024

The regular monthly meeting of the Board of Directors of Lyon-Lincoln Electric Cooperative, Inc. scheduled for Monday, March 25, 2024 and continued to Thursday, March 28, 2024 at 9:30 o'clock A.M. at the headquarters building in Tyler, Minnesota was held on said date.

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

The following Director was absent: 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 February 26, 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 February 26, 2024.

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

- Under Management Reports paragraph a. 4 would be added concerning a Floor Scrubber & Sweeper.
- Under Plenary Matters item 5. d. Strategic Plan would be added.

A motion was made by Ms. Schreurs, seconded by Mr. Buyck, 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 February 1, 2024 through February 29, 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 February, 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 February, 2024. After review, a motion was made by Ms. Schreurs, seconded by Mr. Dritz, 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 Kinner for the unretired amount of $3,521.67 with $1,720.04 being paid, and $1,801.63 being discounted; the Estate of Fred Lichtsinn for the unretired amount of $1,009.67 with $601.29 being paid, and $408.38 being discounted; and the Estate of Gary Snook for the unretired amount of $7,655.01 with $2,962.00 being paid, and $4,693.01 being discounted. A motion was made by Mr. Grant, seconded by Mr. Longtin, 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 January, 2024 and a Balance Sheet for January, 2024. She also reviewed the Power Requirements Data for the various rates charged by the Cooperative for January, 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 January, 2024 was 1.28 and the Equity shown on the Balance Sheet for January, 2024 was 40.35%. After discussion and review President, Dale Fier, indicated that the Financial and Statistical Report for the period ending January 31, 2024 was received and filed subject to audit.

The Board reviewed a report concerning accounts receivable for 2023. After review a motion was made by Mr. Longtin, seconded by Mr. Rokeh, and carried to write off the accounts receivable shown on the report as bad debt for 2023 in the amount of $957.66.

The Board reviewed information that had been received from Federated Rural Electric Insurance Exchange advising the Cooperative that the Member Equity Account at Federated for Lyon-Lincoln Electric Cooperative, Inc. had a beginning balance of $107,590.00. There was an allocation for 2023 margins in the amount of $5,470.00. There was a payment made from Federated Rural Electric Insurance Exchange for 2023 margins in the amount of $1,076.00 and the ending balance for the Member Equity Account Statement as of March, 2024 was $111,984.00.

Kristi Jensen, Finance Manager, reviewed with the Board the Financial and Operating Report Electric Distribution for Lyon-Lincoln Electric Cooperative, Inc. that was submitted to the United States Department of Agriculture Rural Utilities Service for the period ending December, 2023 which was the 2023 Form 7 required to be submitted by the Cooperative. This was a matter of information to the Board so that they knew the Cooperative had complied with the report involving the 2023 year end Form 7.

General Manager, Timothy O'Leary, then reviewed with the Board the fact that there needed to be considered the purchase of a scrubber and sweeper for Lyon-Lincoln Electric Cooperative, Inc. He indicated that a used scrubber would be $4,395.00 and a new scrubber would be $12,142.00. After discussion a motion was made by Mr. Grant, seconded by Mr. Dritz, and carried to table any action concerning the floor scrubber and sweeper to later in the Board Meeting.

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

Lyle Lamote, Line Superintendent, gave the February Outage Report indicating that there were no outages to report for the month of February, 2024. He also reviewed with the Board the fact that there was a February Safety Meeting held on February 29, 2024 concerning the topic of Speak Up, Listen Up. The MREA's new Safety Instructor, Erick Boder, was at the headquarters facility to deal with the topic. 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 had finished line patrol.
- The linemen had cut trees in the trade area of Lyon-Lincoln Electric Cooperative, Inc. and had moved to the cities served by Lyon-Lincoln Electric Cooperative, Inc.
- The Board was advised that East River Electric Power Cooperative, Inc. was contacted and the linemen used their grubber for work in the OG distribution line right-of-ways.
- The linemen continue to do line maintenance.
- There were a couple of underground jobs left for members to be completed.

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

Brian Jeremiason, Manager of Marketing and External Relations, attended the meeting and reviewed the following with the Board:

1. Mr. Jeremiason advised the Board that the Cooperative brought on the last open solar project through Wolf River Electric in March of 2024. The member had the system installed in September of 2023 but due to changes in project managers and misunderstandings regarding who would pay for the transformer upgrades the project was on hold for six months. The Board was further advised that the last two open projects were a Ziegler CAT project for 38 kW and an All Energy Solar 11.34 kW project. The Ziegler CAT projects have had no issues. As pointed out by Mr. Jeremiason this is the second project with them and they have been the easiest projects to work with by far. This is the first project with All Energy Solar so Mr. Jeremiason does not know how smoothly it will be completed. Mr. Jeremiason advised the Board that the Cooperative is still getting several inquiries each week, but in most cases have been able to meet with members before they sign their contract and explain the process, positives and negatives.

2. Jennifer Gross, Education and Outreach Coordinator for East River Electric Power Cooperative, Inc., and Mr. Jeremiason visited Southview Elementary in Marshall, Minnesota and presented the Co-ops in the classroom program to eight 4th grade classes. Co-ops in the classroom is designed to help children learn the importance of respecting electricity through hands-on lessons. The program teaches students ways to conserve electricity, how to be safe around electricity, helps them recognize where electricity comes from and also introduces them to the cooperative business model and cooperative principles.

3. Mr. Jeremiason presented to the Board the Retail Rate Schedule #17 which was for electric vehicles using single phase or three phase power. After review of Retail Rate Schedule #17 a motion was made by Mr. Rokeh, seconded by Mr. Grant, and carried to adopt said Retail Rate Schedule #17.

4. Mr. Jeremiason advised the Board and had them review a document entitled Lyon-Lincoln Electric, Electric Vehicle Rebate Program. This was an information sheet for members and disclosed the members name and other information including the battery electric vehicle or plug-in hybrid vehicle that the member owns.

5. Don Determan, the local promotions dealer, visited with Mr. Jeremiason about some sample gifts that were possible for the annual meeting. Mr. Jeremiason reviewed with the Board the various items

that had been made available involving silicone grip tongs, 35oz glass meal prep container, magnetic parts bowl, milk/coffee frother, cooking digital thermometer, outdoor thermometer, cell phone holder, and a coffee cup. This was presented to the Board as a matter of information and discussion for the gifts at the Annual Meeting.

6. The Board then had general discussion with Mr. Jeremiason concerning solar panels.

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. There was no discussion concerning the Power Bill that had been provided which disclosed the February Power Bill for the Cooperative. The heat sales were 1,087,922 kWhs under budget and other sales were under budget by 756,267 kWhs. The average rate for power came in at 63.36 mills/kWh versus the budgeted amount of 58.76 mills/kWh.

2. Lyon-Lincoln Electric Cooperative, Inc.'s kWh purchases through the month of February were currently 90.91% of the budget. It's kWh sales to members through February were currently 91.43% of the budget. The line loss through February was 3.64%. The month of February saw purchases 18% under budget and sales 19% under budget. The month of February was nice to the members in comparison to the normal usage required in February.

3. The East River Electric Power Cooperative, Inc.'s staff provided a year end information on the REED Fund during the meeting. Over $5M in loan funds were repaid and there 134 loans having a total of $42.86M outstanding at the end of 2023. In 2023 21 loans totaling $13,204,286.00 were closed. The loans leveraged $71.2M in investment and impacted 348 jobs. There have been 11 housing projects since 2019 which have received $7.9M in REED funds and had total project costs of $44M. The fund has $9.5M in committed funds to start 2024.

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

    a. Robert Sahr, General Manager of East River Electric Power Cooperative, Inc., and staff provided a recap of the recently completed Basin Winter Manager's Meeting. The majority of the recap focused on what the committee should expect as Basin Electric Power Cooperative, Inc. looks at filing their new crypto and large load rates at FERC. Attorney Brown visited with the committee about the intervention process and what to expect if a local cooperative decided to intervene in the rate process. Robert Sahr continued the recap by touching on Basin financials and load growth at Upper Missouri and East River which would drive future generation needs within the Basin membership.

    b. East River's staff updated the MAC with information on the Load Management Program. The staff indicated that East River saved $16.6M in 2023 based on a Basin demand rate of $19.56/kW. East River control times were similar to 2022 control times. Staff continued to work with Itron (who works with Basin) in developing a short-term forecast to better help with its load management activities. The staff is looking at having the next generation load management receivers arrive in late March of 2024 and expect to have several cooperatives install them for initial testing.

c. Chelsie Bakken, Communications and Marketing Manager, updated the committee on East River Electric Power Cooperative, Inc.'s advertising campaign. The campaign will focus on the fact that the cooperatives are local and are owned by its members and together the cooperative and members are Re-energizing Rural and Possibilities. The campaign will continue to have a large focus on farm safety. Chelsie Bakken finished her report by highlighting this year's "Who Powers You" contest to highlight individuals in the region that are doing great things.

d. Mark Hoffman, Chief Operations Officer, provided the committee an update on 2023 construction activities which included $77.6M of completed projects. Mr. Hoffman highlighted risks moving forward with future projects. Some of the risks were: Permitting delays, work plan amendments, large loads, and procurement of materials.

5. The Board and Manager had discussion concerning the legislative session being held this year and information that was provided by MREA.

6. The Operation RoundUp Board decided that scholarships should be given to those students that applied and did not receive the Basin Scholarship. The total amount of scholarships would be $5,000.00 resulting in 10 students receiving $500.00 each in scholarship money. There has been received 27 applications to Operation RoundUp for scholarships.

7. The Board was advised that the Linemen Appreciation Day would be held on Monday, April 8, 2024 at the headquarters building in Tyler, Minnesota with breakfast being brought in at 8:00 o'clock A.M. for the linemen.

8. Counties have to update their hazard mitigation plans every five years so the first meeting was held for Lyon County on March 7, 2024. General Manager, Timothy O'Leary, indicated that the Cooperative shared with the County it's thoughts on which hazards concern the Cooperative the most and how best to mitigate them. Mr. O'Leary was able to share the Cooperative's list of mitigation projects to replace OH lines with URD lines.

9. The golf season started on March 18, 2024 and the regular season will finish at the end of May, 2024 and General Manager, Timothy O'Leary, advised the Board that he will be coaching at RTR School District for golf.

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

- April 2, 2024 – ER MAC and REED Meetings.
- April 3-4, 2024 – Spring MREA CEO Meeting.
- April 8, 9, & 11, 2024 – LLEC District Meetings.
- April 22, 2024 -LLEC Bard Meeting and summer hours begin 7:00 A.M. to 4:30 P.M.

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

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

Vice-President, Mike Longtin, discussed with the Board the East River Electric Power Cooperative, Inc. Monthly Meeting he had attended. He again discussed with the Board the problem with the Crow Creek Tribe and the fact that the easement had expired for the power line going through the reservation. Mr. Longtin indicated that he believes that East River will go around the Tribe's property. Mr. Longtin also reviewed with the Board the problems and benefits of crypto loads.

General Manager, Timothy O'Leary, reviewed with the Board the fact that the Board had been provided the Minutes of the regular meeting on the Board of Directors of East River Electric Power Cooperative, Inc. held on February 2, 2024 including the General Manager's Report, FERC Representation Intervention, Elmira Township, Basin Electric Report, Basin Update, 2023 Year-End Financials and Patronage, Margins Stabilization Review, Resolution No: 022024-1, Large Load Update, NRECA Resolutions, and Legislative Update.

Director, James Rokeh, Secretary/Treasurer, Kathy Schreurs, and Director, Joel Buyck, gave a report concerning the NRECA Power Exchange that they had attended. It was indicated to the Board that speakers were top rate and discussed AI, CoBank issues, and Grants available together with other information.

General Manager, Timothy O'Leary, President, Dale Fier, and Vice-President, Mike Longtin, reported on the MREA Annual Meeting and General Manager, Timothy O'Leary, indicated that there will be an item on the Agenda for the month of April concerning donating dollars to help electrify a community in Guatemala. It is also indicated to the Board that the MREA Annual Meeting went well and there were good speakers. President, Dale Fier, and Vice-President, Mike Longtin, reported on the BLC 952.1 – Increasing Influence Seminar they had attended. They reported that there was real word examples presented at the meeting and topics such as How to Communicate, Casual to Official Dialogue, Giving One's Opinion, and Communication with Different Generations.

The Board was presented with the Nominating Committee's Meeting Minutes for February 27, 2024 and it was indicated that Mary Gunnink was nominated for District #1, Joel Buyck was nominated for District #2, and Jared Dritz and Richard Hemish were nominated for District #3.

The Board considered who to nominate to serve from the Cooperative on the RESCO Board as a director and after discussion a motion was made by Ms. Schreurs, seconded by Mr. Dritz, and carried to nominate Director, James Rokeh, as the director from Lyon-Lincoln Electric Cooperative, Inc. to serve on the RESCO Board.

Director, Galen Grant, left the meeting and was no longer in attendance.

General Manager, Timothy O'Leary, reviewed with the Board the topics that he would be reviewing with the members at the District Meetings.

There was discussion concerning the Strategic Planning Session which is anticipated to take one and half days. The first date would be May 20, 2024 from 1:00 P.M until 4:00 P.M. and the meeting concerning the Strategic Planning Session would again occur on May 21, 2024 at 8:00 A.M. to 5:00 P.M. The location for the

Strategic Planning Session would be at President, Dale Fier's, facility. The Board meeting in May of 2024 will also take place at President, Dale Fier's, facility.

The Board was advised that Kevin Buysse being a member of Minnesota Valley was not let out of the trade area so there won't be a three phase extension provided to Kevin Buysse from Lyon-Lincoln Electric Cooperative, Inc.

There was discussion concerning the floor scrubber and sweeper and it was indicated by General Manager, Timothy O'Leary, that he will include this topic for the April Board Meeting to be held on April 22, 2024.

There being no further business to come before the Board, President, Dale Fier, adjourned the meeting at 12:24 o'clock P.M. The Board viewed the East River Electric Power Cooperative, Inc. Board Meeting and the Summary of the Basin Electric Power Cooperative, Inc. Board Meeting after the meeting was adjourned.

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Secretary

ATTEST:

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President