

IOWA LAKES ELECTRIC COOPERATIVE
Board of Directors Meeting
November 21, 2024

ONLINE MINUTES

The meeting of the Iowa Lakes Electric Cooperative Board of Directors was called to order at 10 a.m. by Board Chair Dan Winterhof on November 21, 2024, at the Cooperative's headquarters in Estherville, Iowa. Executive Assistant Amy Howard assisted in the taking of minutes thereof.

The following directors were present either in person or by video conference: Bruce Amundson, Ben Ashland, Jerry Beck, Chad Boysen, Craig Deim, Dave Friedrich, Nick Kerns, Alan Madden, Crystal Pluth, Gary Rouse, Mark Tuttle, Trent Will, Roger Williamson and Dan Winterhof. Absent:

Also present for the meeting were President and CEO Ryan Craig, Vice President of Operations and Engineering Aaron Ruschy, Vice President of Finance/CFO Shelly Tredway, Vice President of Customer and Corporate Relations Jen Sievert, Executive Assistant Amy Howard and Cooperative Attorney Scot Bauermeister.

Participating in a portion of the meeting were Manager of Business & Community Development Jed Skogerboe, Manager of Engineering Jeremy Nelson and Manager of IT & Technology Support Tim Mielke.

AGENDA

Board Chair Winterhof asked if there were any additions to the Board Agenda. Being none, it was moved and seconded to approve the agenda. Motion carried.

MINUTES

Board Chair Winterhof asked if there were any changes or corrections to October 24, 2024, board minutes as provided. Being none, it was moved and seconded to approve the minutes.

Board Chair Winterhof declared the meeting duly organized for the transaction of Cooperative business.

UNFINISHED BUSINESS

Attorney Bauermeister reported there was no pending litigation.

NEW BUSINESS

Memberships for Approval (Action)

It was moved and seconded to approve the memberships as presented. Motion carried.

Annual Revolving Loan Fund Review

Board Chair Winterhof called upon Manager Skogerboe to present the annual review of Policy #504 as it concerns economic development. Skogerboe provided a review of the current policy and provided a history of past, present and recent loan distributions. Discussion followed. Manager Skogerboe left the meeting following his presentation.

2025 Power Cost Adjustment (Action)

Board Chair Winterhof called upon Manager Nelson to present a recommendation for consideration due to changes in CBPC and NIPCO rates for 2025. Following Tariff Section 28.16 – the PCA is adjusted each

year to reflect changes in the cost of wholesale purchased power from both power suppliers. Nelson reviewed the 2024 rates and the new rates for 2025. Recommendations are as follows:

- Heat Credit: $-\$0.033339/\text{kWh}$ (No change)
- City of Estherville: $\$0.02145/\text{kWh}$ (No change)
- HLF/LP CP Demand PCA: $\$0/\text{kWh}$ (Reset to zero)
- HLF/LP Energy PCA: $\$0/\text{kWh}$ (Reset to zero)
- Gen Service Energy PCA: $\$0/\text{kWh}$ (Reset to zero)

Following discussion, it was moved and seconded to approve the 2025 Power Cost Adjustments as recommended. Motion Carried. Manager Nelson left the meeting following his presentation.

Opportunistic Strategic Priorities (Action)

Board Chair Winterhof called upon President and CEO Craig and the Vice Presidents to present the Opportunistic Strategic Priorities – IT and Cybersecurity, Workforce/Succession, Rates/Advocacy/Power Supply and Wind Asset. Discussion followed.

Following discussion, it was moved and seconded to approve the opportunistic strategic priorities as presented. Motion carried. Manager Mielke left the meeting following the presentation.

Annual Bad Debt Write-offs (Action)

Board Chair Winterhof called upon Vice President Sievert to present the proposed bad debt write-offs which includes electric energy due the Cooperative for services provided during the calendar year of 2023. In addition, Sievert reviewed historical annual bad debt write-offs for the Board's analysis, comparing 2023 to bad debt in previous years.

After discussion, it was moved and seconded to approve the annual bad debt write-offs in the amount of $\$6,536.90$ for those accounts and balances as presented and to apply the right of "set-off" in accordance with the Cooperative's membership agreement, of any and all future unpaid patronage dividends credited to the account of those individual debtors, that may become available during the Cooperative's normal patronage retirement rotation as an offset of any unpaid balances owed and due the Cooperative. Motion carried.

VP/CFO Financial Report

Vice President Tredway reviewed the financials for October 2024. Discussion followed.

New Consultant for Additional Wind Analysis Study Approval (Action)

Board Chair Winterhof called upon President and CEO Craig to provide the Board of Directors with information as it concerns a new consultant for an additional wind analysis study. Craig updated the Directors that Clifton Larson Allen (CLA), who was hired to conduct the additional wind analysis after last month's board meeting, will not be going forward with the wind study. Iowa Lakes Electric Cooperative and CLA have mutually agreed to discontinue the partnership for the wind study as they are not equipped to deliver the results we had outlined and clearly communicated from the onset.

Craig's recommendation is to hire Deloitte to perform the Scope of Work outlined below with a cost not to exceed $\$75,000$.

Scope of Work:

- Valuation/Fair Market Value/Assessment
- Financial Analysis

Representatives from Deloitte will present their Scope of Work at the 2024 December board meeting. Discussion followed.

Following discussion, it was moved and seconded to approve the request to have Deloitte conduct the additional wind analysis study as presented. Motion carried.

NRECA Governance Talk Video – The New Director Orientation

The Board of Directors viewed NRECA Governance Talk Video – The New Director Orientation.

Vice President Reports

Vice President Ruschy reviewed his monthly report.

Vice President Sievert reviewed her monthly report.

President and CEO Report

President and CEO Craig reviewed his monthly report.

G&T Reports

Basin – The Board of Directors viewed the video: November 2024 Basin Board Report. Director Beck provided a Basin report.

Corn Belt Power Cooperative – Director Beck provided a Corn Belt report.

NIPCO – Director Will provided a NIPCO report.

IAEC – Director Amundson provided an IAEC report.

MISCELLANEOUS

Board Chair Winterhof reminded everyone in attendance the next regularly scheduled Board of Directors meeting will be held on Thursday, Dec. 19, 2024, at the Estherville headquarters. The Legislative Meeting will start at 9 a.m. with the board meeting to follow.

Board Chair Winterhof requested miscellaneous items be brought before the Board of Directors for discussion and attention at this time.

Board Treasurer Pluth reviewed the journal of checks and master credit card statements issued for the month of October 2024 prior to the meeting.

Board Treasurer Pluth and Board Secretary Will reviewed and approved the director per diem forms for the month of November 2024.

ADJOURNMENT

There being no further business to be brought before the Board of Directors, it was moved and seconded to adjourn. Motion carried.

Approved December 19, 2024

Trent A. Will, Secretary