

Upper Sioux Community Non-Confidential Mediation Statement

Mediator Leo Stern

Mediation Date: February 12, 2025

Location: 90 S. 7th St. UNIT 2200, Minneapolis, MN 55402

Leo Stern, Esq.
Matthew Haugen

February 3, 2025

**MEDIATION STATEMENT
VIA EMAIL ONLY**

Leo Stern, Esq.
19 Summit Heights
North Oaks, MN 55127

Matthew Haugen
Nelson Oyen Torvik PLLP
221 North First Street
Montevideo, MN 56265

**Re: Mediation Between Upper Sioux Community and Minnesota Valley
Cooperative Light and Power Association Regarding the Community's
Behind the Meter Solar Array**

Dear Mediator Stern and Mr. Haugen:

Please accept this mediation statement from the Upper Sioux Community (the "Community" or "Tribe") in the above-referenced dispute with the Minnesota Valley Cooperative Light and Power Association ("Minnesota Valley" or "Coop"). We and our clients look forward to participating in the mediation scheduled for February 12, 2024.

This matter involves a dispute arising out of the Community's construction and planned operation of a 2.5-megawatt behind the meter¹ solar array ("Solar Array") to offset a portion of its energy consumption and to advance its clean energy initiatives. Minnesota Valley contests the Community's authority to operate a solar array of that size within its reservation boundaries and on its trust lands without first receiving permission from Minnesota Valley to do so. Minnesota Valley has threatened to disconnect the Community and its Prairie's Edge Casino Resort ("Casino") from Coop electric service if and when the Community begins operating the Solar Array. The parties have been unable to engage in meaningful settlement discussions, and this mediation is taking place in accordance with Minn. Stat. § 216B.164.2

BACKGROUND AND HISTORY

1 This term refers to the fact that power from the Solar Array will be connected to the Community's facilities/Casino without passing through the electrical grid or any of the Coop's equipment.

2 As is discussed below, the Community disputes the ultimate applicability of this state statute to this dispute; nonetheless, the Community has agreed to participate in this mediation.

I. The Upper Sioux Community is a Federally Recognized Indian Tribe and Sovereign Nation

The Upper Sioux Community is a federally recognized Indian nation located near Granite Falls, Minnesota. The Community is located within the area formerly recognized as Sioux Indian Territory. Pursuant to treaties with the United States signed in 1851 and 1858, ancestors of the Community retained the land extending ten miles on either side of the Minnesota River. The Upper Sioux Community is located within this treaty land. In 1863, President Lincoln abrogated the 1851 Treaty as punishment for the US-Dakota War of 1862; nevertheless, ancestors of Upper Sioux Community members remained on land on or near the present location of the Upper Sioux Community. In 1938, through the New Deal-era Indian Reorganization Act, roughly 740 acres of land were placed into trust by the United States for the benefit of the Upper Sioux Community. In the last 30 years, pursuant to the Community's on-going reacquisition of treaty land, the Community's land base is now roughly 3,725 acres, the majority of which are held in trust.

The Community is a "distinct, independent political community, retaining their original natural rights" in matters of self-government. *United States v. Cooley*, 141 S. Ct. 1638, 1642 (2021). Tribal sovereignty predates the founding of the United States. *Santa Clara Pueblo v. Martinez*, 436 U.S. 49, 56 (1978). The sovereign authority retained by Indian tribes is unique and its limitations are only subject to the plenary authority of Congress. *Cooley*, 141 S. Ct. at 1642-43. The inherent sovereignty retained by Indian tribes and Congress' power to regulate tribal affairs generally insulates Indian tribes from state authority. *New Mexico v. Mescalero Apache Tribe*, 462 U.S. 324, 332 (1983). In particular, state civil regulatory laws do not constrain the actions of the Tribe on its reservation land. The scope of tribal sovereign authority includes the authority to protect and advance the welfare of the Tribe and its members. *Cooley*, 141 S. Ct. at 1644. The Upper Sioux Community retains broad authority to regulate nonmember conduct within its territory. *FMC Corp. v. Shoshone-Bannock Tribes*, 942 F.3d 916, 931-32 (9th Cir. 2019).

II. Minnesota Valley Cooperative Light and Power Association is a Regulated Cooperative Electric Association

There are three types of electric utilities that operate in Minnesota: public utilities; municipal electric utilities; and cooperative electric utilities. Minnesota Valley is a cooperative electric utility that is regulated by state law and local boards of directors.³ The Rural Electric Administration Act, 7 U.S.C. § 901 *et seq.*, contains a requirement that cooperative electric utilities function within state regulatory schemes. The State of Minnesota is divided into exclusive service territories that a utility covers. See Minn. Stat. § 216B.37. Minnesota Valley's service territory consists of eight counties in western Minnesota and most of the Upper Sioux Indian Reservation, as illustrated in Figures 1 and 2 below. Xcel Energy currently provides power to the Tribe's Public Safety Building.

³ See Exhibit A, Minnesota Valley Cooperative Light and Power Association's Bylaws.

Minnesota Valley is a distribution-only cooperative, which means its assets consist of its transmission lines, related equipment such as meters, and its distribution services. As a distribution-only cooperative, Minnesota Valley does not produce power for sale, but rather purchases power from a generating source and resells the electricity at a markup to its local customers. As of March 2023, Minnesota Valley purchased around 75% of its power from Basin Electric Power Cooperative (“Basin Electric”).⁴ Basin Electric is a primarily coal-fired regional wholesale generation and transmission cooperative.⁵ The remaining 25% of Minnesota Valley’s power is purchased from the Western Area Power Administration (“WAPA”), which sells and delivers at cost hydroelectric power.⁶

Figure 1: Minnesota Valley Service Territory⁷

⁴ Exhibit B at 3, Member Handbook, Minnesota Valley Cooperative Light and Power Association (2023).

⁵ *Id.*

⁶ *Id.*

⁷ The area in light orange is Minnesota Valley’s service area, red Xcel’s, green Otter Tail Power Co., and purple Lyon-Lincoln Electric Coop, Inc. See Minnesota Maps, <https://tinyurl.com/5cjcdwcu> (last visited Jan. 27, 2025).

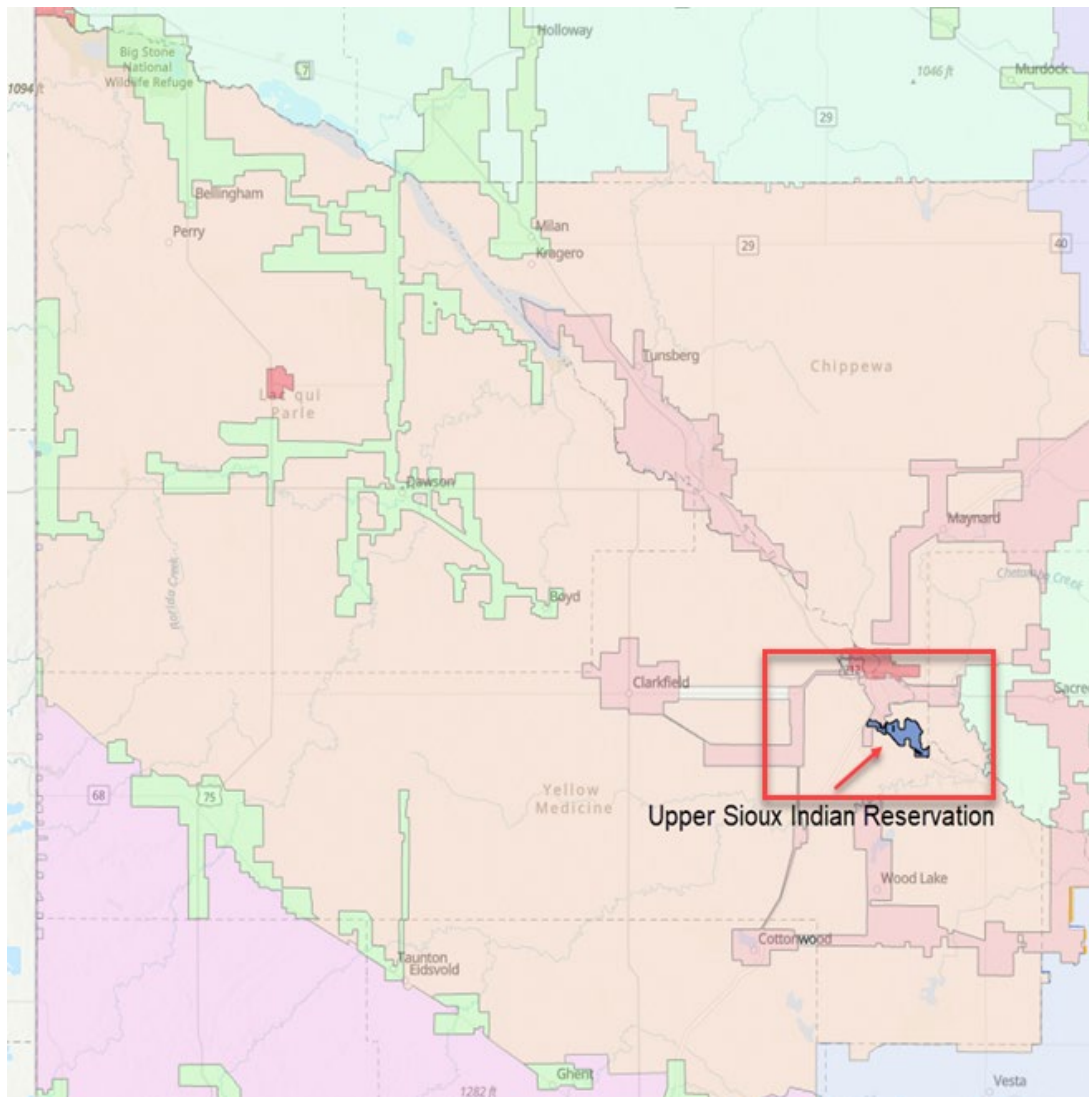
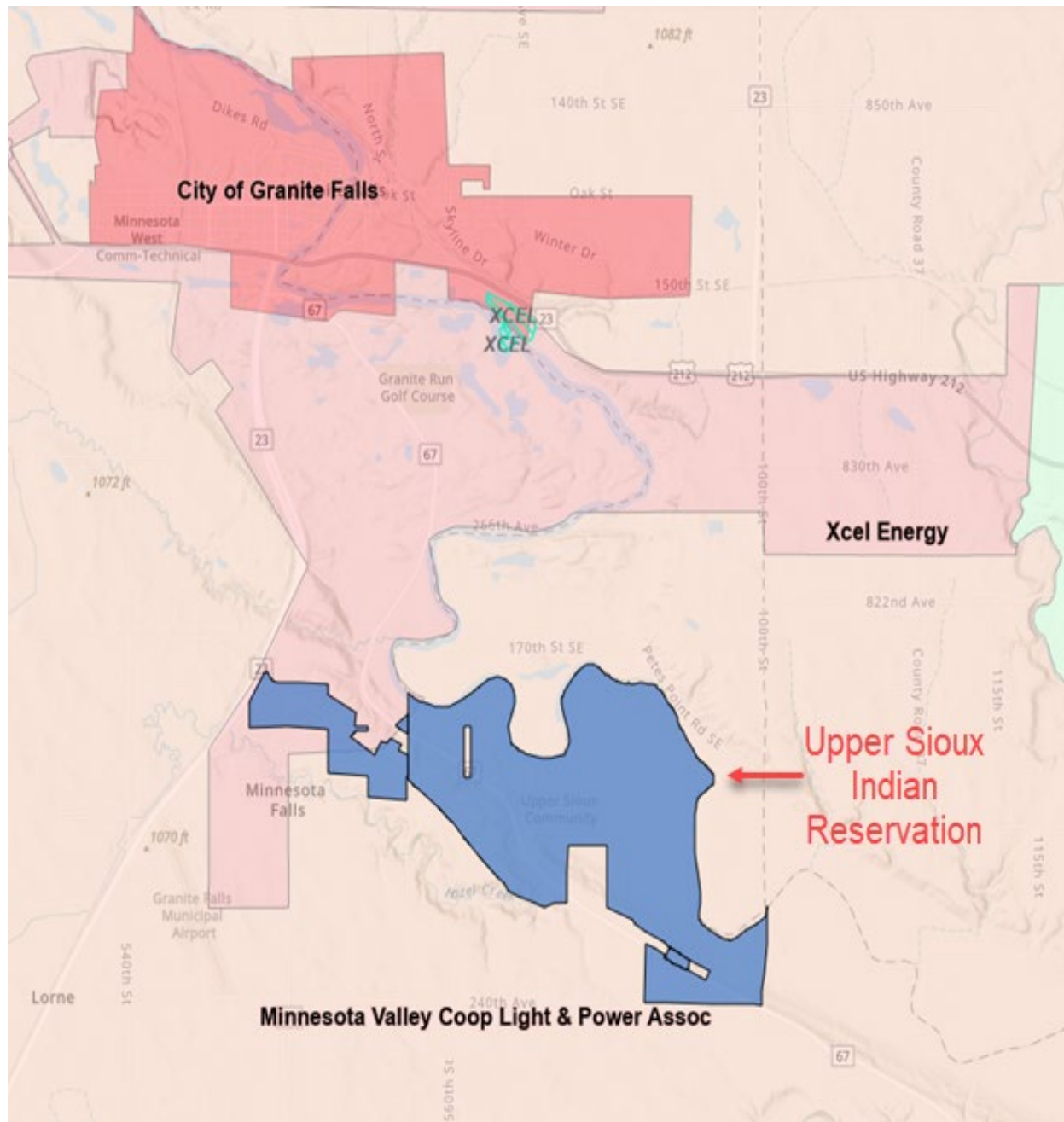


Figure 2: Minnesota Valley Service Territory⁸

⁸ The boundaries of the Upper Sioux Indian Reservation are depicted in dark blue, Minnesota Valley's service territory in light orange, and Xcel Energy's service territory in light red. Granite City is shown in dark red. *Id.*



III. Historic Relationship Between the Community and the Cooperative

Minnesota Valley is the primary provider of electricity to the Community, including to the Community's casino, Prairie's Edge Casino Resort. In 1990, the Community entered into two Power Purchase Agreements and an Aid to Construction Agreement with Minnesota Valley to supply power to the Casino's predecessor, Firefly Creek Casino. In

the Power Purchase Agreements, the Community agreed to become a member of the cooperative in exchange for Minnesota Valley supplying power at a set rate.⁹ The Power Purchase Agreements had a term of five years and expired in 1995.¹⁰ Since the agreements expired, the Community has purchased power from Minnesota Valley like any other customer, by paying its electric bill based on the amount of electricity consumed. On information and belief, the Casino is the Coop's second-largest customer.

IV. The Community's Sovereign Energy Initiatives and Behind the Meter Solar Array

The Community has constructed the power-generating Solar Array within its reservation's exterior boundaries. It is not the Tribe's intent to sell power generated by the Solar Array to Minnesota Valley. Rather, power from the Solar Array will be entirely used at the Casino. The Solar Array should provide roughly 30% of the Casino's electricity demand and is not designed to replace an electric utility provider entirely. The Solar Array and Casino reside wholly on the Tribe's trust lands.

THE DISPUTE AND THE PARTIES' CLAIMS AND DEFENSES

I. Background of the Dispute

During the summer of 2024, the Community, through its contractor Wolf River Electric, reached out to Minnesota Valley to discuss its proposed Solar Array project. During the initial conversations, Minnesota Valley informed Wolf River Electric that before constructing and operating a Solar Array, the Community/Wolf River Electric would need to fill out a distributed generation interconnection application, pay associated fees, create an interconnection plan for operation, and enter into an agreement with Minnesota Valley. Following this meeting, Wolf River Electric prepared and submitted a Pre-Application Report Request and Distributed Generation Interconnection Application to Minnesota Valley, which indicated that the Solar Array facility would have an operating capacity of 2.5 MW (2,500 kilowatts).¹¹

Upon receipt of the Interconnection Application, Minnesota Valley informed the Community that it was prohibited by the federal Public Utility Regulatory Policies Act ("PURPA"), Minnesota's Cogeneration and Small Power Production law (Minn. Stat. § 216B.164), and Board Policy from constructing a solar facility with a capacity greater than 40 kilowatts.¹² Minnesota Valley further averred that approving the Community's Solar Array would result in Minnesota Valley breaching its "All Requirements Contract" with Basin Electric because Minnesota Valley agreed to purchase all of its power from Basin

⁹ Exhibit C, at § 4, Power Purchase Agreement (1990).

¹⁰ *Id.* at § 5.

¹¹ The Community disputes that this application form was necessary or appropriate for a behind the meter installation such as the Solar Array.

¹² See Exhibit D, Letter from Minnesota Valley to Community (Nov. 15, 2024).

Electric until 2075 and thus could not purchase power from the Community's Solar Array in excess of 40-kilowatt capacity.¹³

The Community disagreed with Minnesota Valley's position for a number of reasons. First, as a federally recognized Indian tribe and sovereign nation, the civil regulatory state laws that Minnesota Valley relied on to support its position do not apply to the Community or the Community's lands within the exterior boundaries of its Reservation (and the Coop has never specified how the Community operating the Solar Array on its reservation land to service reservation property would violate the federal PURPA law). Second, the Community's planned Solar Array was consistent with Minnesota and federal law because it was designed as a behind the meter energy system and not a distributed generation facility covered by PURPA or Minn. Stat. § 216B.164. Based on the Community's interpretation of the law and the facts, the Community proceeded with construction of the Solar Array.

After learning that the Community had continued with construction of the Solar Array facility, Minnesota Valley sent the Community a cease and desist letter on November 15, 2024, threatening to disconnect service to the Community if it went live with its Solar Array.¹⁴ The Community responded to Minnesota Valley's letter and explained that Minnesota Valley has no authority over a behind the meter energy system located within the boundaries of the Community's reservation, and even if it did, the Solar Array complied with Minnesota law.¹⁵ Minnesota Valley and the Community exchanged a few additional letters regarding the dispute, but failed to reach a resolution.¹⁶

Minnesota Valley has maintained its position that the Community's Solar Array is unlawful and has threatened to immediately disconnect service to the Community if it goes live with the facility. The parties not only disagree about the interpretation and application of the law, but whether the Solar Array the Community constructed is behind the meter. However, the report prepared by Wolf River Electric to describe the design of the system makes clear that the Solar Array is, indeed, fully behind the meter.¹⁷ In an attempt to resolve the dispute, the parties agreed to partake in mediation in conformance with Minn. Stat. § 216B.164. The Community has agreed to postpone generation from the Solar Array until after mediation has concluded.

¹³ To date, Minnesota Valley has not provided the All Requirements Contract to the Community. It is also notable that, according to Minnesota Valley's own Member Handbook, Minnesota Valley only purchases 75% of its power from Basin Electric. Exhibit B, at 3.

¹⁴ Exhibit D.

¹⁵ Exhibit E, Letter from Community to Minnesota Valley (Nov. 15, 2024).

¹⁶ Exhibit F, Compilation of Letters Between Minnesota Valley and Community.

¹⁷ Exhibit G, Wolf River Electric Letter to Community (Nov. 25, 2024).

II. MINNESOTA VALLEY'S CLAIMS

Based on letters exchanged between Minnesota Valley and the Community, the Community believes that Minnesota Valley raises the following claims:

- The Community's proposed Solar Array is not behind the meter.¹⁸
- Minn. Stat. § 216B.164, subd. 3, grants Minnesota Valley the authority to prevent the Community from operating a Solar Array in excess of 40-kilowatt capacity through a service cut-off (notwithstanding that the Community has paid all of the Coop's bills as they come due).
- Minnesota Valley's Policy No. 323 (Interconnection of Consumer Owned Distributed Generation) prohibits the Community from operating a Solar Array in excess of 40-kilowatt capacity.
- Minnesota Valley's "All Requirements Contract" with Basin Electric prohibits Minnesota Valley from purchasing power from a power generating facility over 40-kilowatt capacity.
- Minnesota state and federal law, as well as Minnesota Valley's board policies, apply to the Upper Sioux Community.

III. THE COMMUNITY'S CLAIMS AND DEFENSES

a. Minnesota State Laws Regarding Cooperative Utilities and Electric Utility Regulation Do Not Apply to the Community as a Sovereign and Federally Recognized Indian Tribe

The Community is a federally recognized Indian tribe and a sovereign nation. As a sovereign nation, it retains its inherent sovereignty and the power to regulate its internal and social relations. *See New Mexico v. Mescalero Apache Tribe*, 462 U.S. 324, 333, (1983). As such, state laws generally only apply to tribes and on tribal lands if Congress has expressly provided for such application in a federal law. *See McClanahan v. Arizona State Tax Comm'n*, 411 U.S. 164, 170–171 (1973). No federal law, including PURPA, applies the state laws at issue in this dispute to tribes.¹⁹

¹⁸ It's not clear to the Community whether Minnesota Valley believes a behind the meter system would be subject to Minn. Stat. 216B.164, subd. 3 or its Board Policy No. 323. That subject could be explored at or prior to the mediation.

¹⁹ While Public Law 280 grants Minnesota jurisdiction over criminal offenses on the Community's reservation, it does not give the state civil/regulatory authority over the Tribe or tribal lands. *See California v. Cabazon Band of Mission Indians*, 480 U.S. 202, 207 (1987).

Moreover, unless the state interests at stake are sufficient to justify the assertion of state authority, state jurisdiction is preempted on tribal lands if it interferes with federal and tribal interests reflected in federal law. See *Mescalero*, 462 U.S. at 333–34. When a state is attempting to assert jurisdiction over the on-reservation activities of tribal members, the application of state law only occurs in exceptional circumstances. *Id.* at 331–332 (explaining one such exceptional scenario where a state asserted fishing regulations over tribal members on non-trust lands located within a reservation where the tribe’s treaty rights stated that the fishing rights would be exercised in common with all citizens of the territory). These types of exceptional circumstances have not been met to apply Minnesota’s civil and regulatory utility laws to on-reservation activities conducted by the Tribe. See *Devils Lake Sioux Indian Tribe v. N. Dakota Pub. Serv. Comm’n*, 896 F. Supp. 955, 961 (D.N.D. 1995) (holding that state laws establishing utility service territories on Indian reservations did not apply to dispossess a tribe of its inherent authority to select a provider of electric service to tribal-owned businesses located upon Indian-owned or trust lands).²⁰

Based on these underlying principles of federal Indian law, Minnesota state laws regarding the provision or regulation of utility services *do not* apply to the Community or to tribal lands within the boundaries of the Upper Sioux Indian Reservation. This includes the state laws that the Cooperative relies on to support its argument that it may unilaterally terminate electric service to the Community should the Community operate its Solar Array. Regardless, even if the federal and state laws Minnesota Valley relies on here did apply, they do not prohibit the Community from operating the behind the meter Solar Array, nor give the Coop the right to terminate service.

b. The Community’s Solar Array is Fully Behind the Meter

The Community’s Solar Array was designed and constructed to be a fully behind the meter solar energy system,²¹ without wheeling or bi-directional transport of electricity

²⁰ Indian tribes retain the inherent power to exercise civil authority over the conduct of non-Indians, including utilities, on fee lands within a reservation when there is a consensual relationship between the utility and the tribe, or the utility’s activities threaten or have some direct effect on the political integrity, the economic security, or the health or welfare of the tribe. *Montana v. United States*, 450 U.S. 544, 566 (1981). Because Minnesota Valley has entered into a consensual relationship to provide utility services to the Community, and Minnesota Valley’s provision of utility services has a direct effect on the political integrity, the economic security, and the health or welfare of the tribe, the Community has authority to pass its own laws and regulations to govern Minnesota Valley’s conduct on reservation, and the Community’s tribal court may have jurisdiction over disputes with Minnesota Valley.

²¹ See generally Pieter D’haen, Understanding “Behind the Meter” and “In Front of the Meter” in the Utilities Sector: A Comprehensive Overview, SSE Energy Solutions, <https://www.sseenergysolutions.co.uk/behind-the-meter-and-in-front-of-the-meter> (last visited Jan. 28, 2025).

to the grid.²² In a behind the meter design, the energy produced does not touch or send electricity to the utility-owned portion of the electrical system.²³ That is exactly what Wolf River Electric designed and constructed for the Community's Solar Array.²⁴ The Community's Solar Array will be tied in solely on the customer-owned portion of the switch gear; it will not touch the utility-owned portion of electrical system, or send electricity to Minnesota Valley's portion of the grid.²⁵ Because the system does not have bi-directional capabilities, the system is not designed to sell electricity back to Minnesota Valley, a nongenerating utility, or to its suppliers of electricity.²⁶

In fact, the Solar Array operates similar to the Community's onsite backup diesel generators as a standalone solar system with battery storage for when the Solar Array produces more electricity than the Casino is using.²⁷ The system is not designed to replace the utility provider, but rather reduce the amount of electricity required from the grid, and the Casino will continue to draw energy from the grid as it has always done.²⁸ In sum, the Community's Solar Array, as designed and constructed, is fully behind the meter.²⁹

c. The Community is Not Prohibited from Constructing and Operating a Fully Behind the Meter Solar Array

Minnesota Valley relies on Minn. Stat. § 216B.164, subd. 3, and its implementing board policy, to claim that it has the authority to prohibit the Community from operating a Solar Array in excess of 40-kilowatt capacity. The state statute the Community relies on, Cogeneration and Small Power Production, is Minnesota's implementation of the federal PURPA statute. See *In re N. States Power Co.*, 2016 WL 3043122, at *4 (Minn. Ct. App. May 31, 2016).

Congress passed PURPA with the goal of increasing small scale and distributed energy production in the country.³⁰ PURPA required states and public utility commissions to pass laws to regulate utilities in conformance with PURPA. *In re N. States Power Co.*, 2016 WL 3043122 at *4. Under PURPA, public utilities are required to buy, or purchase back, electricity produced by small power production facilities or cogeneration facilities

²² Exhibit H.

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*; see also What Does Behind the Meter Mean, Boston Solar <https://www.bostonsolar.us/solar-blog-resource-center/blog/what-does-behind-the-meter-mean/> (last visited Jan. 28, 2025) (explaining that bi-directional metering is required to provide or "sell" electricity back to the grid).

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

³⁰ FERC, PURPA Qualifying Facilities, <https://www.ferc.gov/qf#:~:text=The%20Public%20Utility%20Regulatory%20Policies,facilities%20and%20qualifying%20cogeneration%20facilities.>

that meet the criteria of a “qualifying facility.” *Id.* While “qualifying facilities” is not defined in state law, federal regulations set forth the baseline requirements. See 18 C.F.R. § 292.203.

Under Minnesota’s law implementing PURPA, cooperative utilities, such as Minnesota Valley, are required to purchase or “buy back” electricity produced by qualifying generators of 40-kilowatt capacity or less. Minn. Stat. § 216B.164, subd. 3. In response to this statute, Minnesota Valley passed Policy No. 323, which provides guidelines “for interconnection with *and purchase of electricity* from small power generation and alternate energy Qualifying Facilities (QF) (emphasis added).”³¹ The policy goes on “to establish the application procedure and qualification criteria for Cooperative Members for the delivery, interconnection, metering, energy credit *and purchase of electricity* from inverter connected QF [qualifying facility] rated less than 40 KW alternating current (AC) at the point of common coupling (emphasis added).”³² The policy then sets forth conditions and requirements that must be fulfilled “before a member-consumer owned electric DG system *can be interconnected* to the Cooperative’s electrical distribution system.”³³ On its face, the policy is directed at power generators that are looking to sell energy into Minnesota Valley’s grid.

Importantly, the facts demonstrate that PURPA, Minnesota’s Cogeneration and Small Power Production law, and Minnesota Valley’s Policy No. 323 do not apply to the Community’s *behind the meter* Solar Array. The Community is not attempting to interconnect the Solar Array with Minnesota Valley’s electrical distribution system. Thus, the solar energy system is *not* a qualifying cogeneration facility under 18 C.F.R. §§ 292.202, 292.203 or Minn. Stat. § 216B.164. And, because the Community’s Solar Array does not have bi-directional capabilities, the Community cannot (and never intended to) sell any of its electricity to Minnesota Valley, any other utility provider, a nongenerating utility, or its supplier of electricity, as provided under Minn. Stat. § 216B.164.

Because the Community is not attempting to interconnect the Solar Array with Minnesota Valley’s system, will be storing all unused energy behind the meter, and has designed the Solar Array so that it is impossible to sell back any power to Minnesota Valley or other utilities, Minnesota’s Cogeneration and Small Power Production law and Minnesota Valley’s Policy No. 323 do not apply.³⁴ It is a fully behind the meter system that the Community is allowed to construct on its federal trust lands located within the exterior boundaries of its reservation to offset its own energy consumption.³⁵

³¹ Exhibit H, at 1, Minnesota Valley Board Policy No. 323.

³² *Id.*

³³ *Id.* (emphasis added).

³⁴ See *id.* (explaining that the policy sets forth procedures and requirements that must be met *before* interconnecting with Minnesota Valley’s system).

³⁵ See, e.g., Going Solar at the Pine Bend Refinery, <https://pinebendrefinery.com/wp-content/uploads/2022/05/5-6-22-FHR-Solar-Fact-Sheet-Final.pdf> (May 6, 2022) (press release explaining the Flint Hills Resources’ solar array, a fully behind the meter direct-use 45-megawatt solar installation located within Xcel’s service territory).

Finally, although the Community maintains its position that it is constructing a fully behind the meter system, the Community was unable to find any language in PURPA or Minn. Stat. § 216B.164, subd. 3 that grants Minnesota Valley the *right* to deny applications for interconnection from qualifying facilities over 40-kilowatt capacity. On the contrary, the statute *requires* cooperative utilities to purchase power from qualifying facilities of less than 40-kilowatt hours. See Minn. Stat. § 216B.164, subd. 3. It says nothing about a utility being free to disconnect service from a customer who proposes to operate a larger facility. Minnesota Valley's Board Policy No. 323 similarly does not prohibit Minnesota Valley from permitting or authorizing the interconnection of a facility over 40-kilowatt hours (from which the Coop would purchase power, as that is what the Board policy is about, which is not what is happening here).³⁶ While Minnesota Valley further supports withholding approval of the Community's Solar Array on the basis that it would cause Minnesota Valley to breach its All Requirements Contract with Basin Electric, Minnesota Valley has not provided this contract to the Community or otherwise explained how the Community's current purchase of 25% of its energy from WAPA does not conflict with the All Requirements Contract, while *not purchasing* any power from the Community's Solar Array would violate it.

d. State Law Requires the Cooperative to Provide Energy to the Community

The Cooperative has threatened to stop supplying power to the Community if the Community turns on its behind the meter Solar Array. But the Cooperative is subject to Minnesota law, and it has a legal duty to provide electricity to the Community. Under state law, "the state of Minnesota shall be divided into geographic service areas within which a specified electric utility *shall* provide electric service to customers on an exclusive basis." Minn. Stat. § 216B.37 (emphasis added). Electric utility is defined under the statute to include electric cooperatives and electric service is defined as "electric service furnished to a customer at *retail* for *ultimate consumption*." Minn. Stat. § 216B.38, subds. 4a, 5 (emphasis added).

Any unlawful termination of power would endanger the safety of the Community's customers and employees of the Community's largest economic enterprise, its Casino, and cause undue disruption and financial losses to the Community. If a mediated settlement is not reached, and Minnesota Valley disconnects electrical service to the Casino, the Community will seek declaratory and injunctive relief, including consequential damages, lost profit damages from the Casino, and reimbursement of attorney's fees. See *Norman v. Crow Wing Cooperative Power & Light Co.*, No. A15-0983, 2016 WL 687472, at *4–10 (Minn. App. Feb. 22, 2016) (permitting plaintiffs to recover over \$1.5 million in negligence and nuisance damages, including lost profits, from cooperative electric utility and upholding permanent injunction requiring changes to electrical delivery system to farm).

PRIOR SETTLEMENT DISCUSSIONS

³⁶ See Exhibit H.

Leo Stern, Esq.
Matthew Haugen

- 13 -

February 3, 2025

To date, the parties have exchanged numerous letters setting forth their arguments and position, but none have included settlement offers. The Community is submitting a separate confidential letter that outlines the Community's mediation position.

Please let us know if you need anything else in preparation for the February 12, 2025 mediation. Thank you for your assistance in this matter.

Very truly yours,

s/Josh Peterson

Josh Peterson
Faegre Drinker Biddle & Reath, LLP
josh.peterson@faegredrinker.com

s/Leif Rasmussen

Leif Rasmussen
Rasmussen Law
leif.rasmussen@leifasmussenlaw.com

EXHIBITS

- Exhibit A — Minnesota Valley Cooperative Light and Power Association's Bylaws
- Exhibit B — Member Handbook, Minnesota Valley Cooperative Light and Power Association (2023)
- Exhibit C — Power Purchase Agreements (1990)
- Exhibit D — Letter from Minnesota Valley to Community (Nov. 15, 2024)
- Exhibit E — Letter from Community to Minnesota Valley (Nov. 15, 2024)
- Exhibit F — Compilation of Letters Between Minnesota Valley and Community
- Exhibit G — Wolf River Electric Letter to Community (Nov. 25, 2024)
- Exhibit H — Minnesota Valley Board Policy No. 323

EXHIBIT A

ARTICLES OF INCORPORATION AND BYLAWS

As amended

March 25, 2017

Reprinted April, 2017



**Minnesota Valley
Cooperative
Light and Power
Association
Montevideo, Minnesota**

**AMENDED ARTICLES OF
INCORPORATION
of the
MINNESOTA VALLEY
COOPERATIVE
LIGHT AND POWER
ASSOCIATION
of
MONTEVIDEO, MINNESOTA**

MARCH 25, 2017

ARTICLE I

NAME, PURPOSE AND NATURE OF BUSINESS

Section 1. The name of this cooperative association shall be Minnesota Valley Cooperative Light and Power Association.

Section 2. The purpose of this association shall be to generate, transmit, distribute, furnish and dispose of in any other manner, electrical energy and to engage in any and all activities connected with the same; to purchase and sell at wholesale or retail, for cash or on credit, manufacture, distribute and otherwise acquire and dispose of or work upon electrical fixtures, appliances, equipment and supplies and general merchandise and other personal property of every kind and nature; and in connection with any of the foregoing to furnish services to patrons, all of which shall be upon the cooperative plan.

Section 3. The general nature of its business shall be to acquire electrical energy by purchase, generating, or otherwise, and to furnish the same to patrons or to transmit the same for others in connection therewith, to purchase merchandise and sell the same to patrons, and to furnish patrons such services as may be deemed advantageous to the promotion of the association's general business.

Section 4. For such purposes it shall have the power and authority to own, construct, purchase, sell, lease, mortgage, or otherwise acquire, dispose of or encumber electric transmission and distribution lines, plants, or other facilities, real estate, or any interest therein, personal property of every kind and nature, copyrights, inventions and patents; to en-

ter into contracts, borrow money and issue notes, bonds, or other evidences of indebtedness, and to do any and all other acts, the same as any natural person, which the association may deem necessary or convenient to aid in carrying out its business aforesaid, or which the association may be authorized to do, provided, however, that the business shall at all times be conducted on the cooperative plan as authorized by the laws of the State of Minnesota.

Section 5. In addition to the foregoing powers and authority, the association shall have the right to join in an association with other cooperatives to carry into effect the foregoing purposes.

ARTICLE II

DURATION

The corporate period of this association shall be perpetual.

ARTICLE III

CAPITAL STOCK

Section 1. The amount of capital stock of this association shall be Ten (\$10.00) Dollars, and shall be divided into Ten Thousands (10,000) shares of the par value of one-tenth of one cent (1/10¢) each. A share of capital stock shall be issued to each party that applies for membership in the association and agrees to take electric service from the association.

Section 2. No person shall own more than one share of stock in the association. Corporations, trusts and partnerships may own stock and natural persons may own stock individually and as joint tenants. No stock shall be held by persons as tenants in common.

Section 3. Shares of stock shall not be transferable except with the approval and consent of the board of directors of the association. The stock of the association may be uncertificated.

Section 4. No interest or dividends shall be paid upon any of the capital stock issued by this association or on any capital furnished by its patrons.

ARTICLE IV

VOTING

Stockholders shall have only one vote in the affairs of the association. Voting by proxy shall be prohibited.

ARTICLE V

CONDUCT OF BUSINESS

Section 1. The principal place of business shall be in the City of Montevideo, Chippewa County, Minnesota.

Section 2. The fiscal year of this association shall begin on the first day of January and close on the last day of December of each year.

Section 3. The annual meeting shall be held at the principal place of business of the association, or at any other place in the geographical area served by it, as may be determined by the board of directors. The annual meeting shall be held during the months of March or April of each year, the exact date, place and hour to be determined by the board of directors.

ARTICLE VI

DIRECTORS

Section 1. The government of this association and the management of its affairs shall be vested in a board of seven (7) directors. All members of the board of directors shall be stockholders of the association; except that subject to limits, if any, of Minnesota law a corporate shareholder in the association may designate a natural person who shall be eligible for election to the board of directors and a partnership shareholder in the association may designate a partner who shall be eligible for election to the board of directors. Members of the board of directors shall be elected by ballot by the stockholders for such terms as the bylaws may prescribe at the annual meetings of the stockholders.

Section 2. The bylaws of this association shall provide for the grouping of stockholders in districts and for the nomination and election of directors by the stockholders of such districts.

Section 3. The board of directors shall have power to make and adopt such rules and regulations, not inconsistent with these articles of incorporation or the bylaws of this association or the laws of the State of Minnesota, as it may deem advisable for the management, administration and regulation of business and affairs of this association.

Section 4. The names and address of the present board of directors who shall hold office until their successors are elected and qualified are as follows:

Darryl Bursack	Canby, MN
Don Fernholz	Madison, MN
Gary Groothuis	Montevideo, MN
Steve Norman	Montevideo, MN

Wayne Peltier
Mark Peterson
Tim Velde

Cottonwood, MN
Madison, MN
Granite Falls, MN

Section 5. Directors shall not be personally liable to the association or its shareholders or members for monetary damages for breach of fiduciary duty as a director except for:

- a. a breach of the director's duty of loyalty to the association or its members;
- b. Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- c. a transaction from which the director derives an improper personal benefit; or
- d. an act or omission occurring prior to the effective date of the adoption of this section.

ARTICLE VII OFFICERS

Section 1. The officers of this association shall be a president, vice-president, a secretary and a treasurer, who shall be elected annually by and from the directors; the offices of the secretary and treasurer may be combined and when so combined shall be termed "secretary-treasurer".

Section 2. The names of the present officers of this association who shall hold office until their successors have been elected and qualified are as follows:

Steve Norman	President
Mark Peterson	Vice-President
Tim Velde	Secretary
Gary Groothuis	Treasurer

Section 3. From time to time the board of directors in its discretion may elect an assistant secretary and treasurer. These subordinate officers need not be members of the board of directors.

ARTICLE VIII NON-PROFIT ASSOCIATION

Section 1. This association shall be operated without profit to itself, shall be operated for the mutual benefit of its patrons and shall be conducted so that the patrons shall contribute necessary capital. The association shall retain from receipts: (1) the amount necessary to pay expenses including adequate provisions for depreciation and doubtful accounts; (2) such amounts as are necessary to provide capital reserves. All reserves or amounts which are retained shall

be allocated and credited on the books of the association as capital to the patrons, (members and non-members, if any) on a patronage basis. For purposes of determining capital credits, the board of directors may designate different classes of patronage.

Section 2. Whenever in the discretion of the board of directors the credits are found to be in excess of the reserve required by law and also in excess of the amount necessary for the sound financial operation of the association, such excess may be paid to patrons in accordance with such method and upon such basis, priority and order of retirement as may be established from time to time by policies of general application regarding the allocation and retirement of patronage capital as adopted by the board of directors.

Section 3. Notwithstanding any of the provisions of Section 2 of this Article, the board of directors by adopting rules of general application may provide for the early retirement of capital credits held in the name of a deceased natural person. The board of directors may provide for the separate retirement of that portion of the capital credited to the accounts of patrons which corresponds to capital credited to the account of the association by an organization furnishing electric service to the association. With respect to credits arising from electric service purchases of the association from another organization, such rules shall (a) establish a method for determining the power supply portion of capital credited to each patron for each applicable fiscal year, (b) provide for separate identification on the association's books of the power supply portion of capital credited to the association's patrons, (c) provide for appropriate notifications to patrons with respect to the power supply portion of capital credited to their accounts and (d) preclude a general retirement of the power supply portion of capital credited to patrons for any fiscal year prior to the general retirement of other capital credited to patrons for the same year or of any capital credited to patrons for any prior fiscal year.

Section 4. The association shall have a lien on capital credits to secure any obligation of the patron to the association, may offset any past due obligation against the present value of capital credits, and shall not pay cash to such patron with respect to the capital credit as long as the obligation is outstanding.

Section 5. Capital credited to the account of each patron shall be assignable only on the books of the association pursuant to written instruction from the assignor and only to successors in interest of successors in occupancy in all or a part of such patron's premises served by the association unless the board, acting under policies of general application, shall determine otherwise.

ARTICLE IX

FUNDAMENTAL TRANSACTIONS

Section 1. In the event of dissolution or liquidation of the association, after all outstanding indebtedness of the association shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members.

Section 2. The association may at any meeting of its board of directors sell, mortgage, lease or exchange all of its property, rights, privileges and franchises upon such terms and conditions as the board of directors deem expedient, and for the best interest of the association, when and as authorized by the affirmative vote of two-thirds (2/3) of all the stockholders of the association. Any such action by the stockholders shall be taken at a meeting called for that purpose and shall require a vote of two-thirds (2/3) of all the members of the cooperative who are then eligible to vote. Only the shareholders present at the meeting shall be entitled to vote on this question and voting by mail shall not be permitted. Such approval may also be authorized by the written consent of two-thirds (2/3) of all the stockholders of the association. The provisions of this Section do not apply to any action or transaction provided for in Section 3 of this Article.

Section 3. Notwithstanding any of the provisions of Section 2 of this Article, the board of directors shall have without the consent or vote of the stockholders of the association, full power and authority to borrow money from the United States of America, or any other agency of the United States, or any other lender approved by the Rural Electrification Administration, and to authorize the execution and delivery of bonds, notes or other evidences of indebtedness, secured or unsecured to evidence the indebtedness created by such loans, and to secure such bonds, notes or other evidence of indebtedness by mortgage or mortgages, or deed or deeds of trust upon, or the pledge of or other lien, on all of the property, assets, rights, privileges and permits of the association wherever situated, acquired or to be acquired upon such terms and conditions as the board of directors shall determine.

ARTICLE X

AMENDMENTS

The association reserves the right to amend these articles in whole or in part as now or hereinafter provided by law.

END

AMENDED BYLAWS
of the
MINNESOTA VALLEY
COOPERATIVE
LIGHT AND POWER
ASSOCIATION
of
MONTEVIDEO, MINNESOTA

ARTICLE 1

MEETINGS

Section 1. (Annual Meetings) The annual meetings of the members of this association shall be held as provided in the articles of incorporation.

Section 2. (Special Meetings) Special Meetings of the members may be called by a majority vote of the directors or upon written petition signed by at least twenty per centum (20%) of the members.

Section 3. (Notice of Meetings)

a. (Annual Meetings) The secretary of the association shall give notice of an annual meeting, by publication in a legal newspaper published in the county of the principal place of business of the association, or by publication in a magazine, periodical or house organ regularly published by or on behalf of the association and circulated generally among its members, at least two weeks previous to the date of the meeting, or by mailing, notice thereof to each and every member personally, or, in case of an association, to the secretary thereof, at his last known post office address, not less than 15 days previous to the date of the meeting. Such notice shall give the time and place of the meeting and the names of the nominees for directors and the districts from which they have been nominated.

b. (Special Meetings) It shall be the duty of the president of the association to cause notice of the special meeting to be given as provided for annual meetings. The notice shall state the time, place and purpose of the special meeting. If the meeting is being called pursuant to a petition of the members, the notice shall be issued within ten days from and after the date of the presentation of the petition and the meeting shall be held within 30 days from and after the date of the presentation of the petition.

c. (Record – Lack of Notice) Upon the mailing of any notice of a regular or special meeting of the stockhold-

ers of the association, the secretary of the association shall execute a certificate, setting forth a correct copy of the notice and showing the date of the mailing thereof and that the same was mailed within the time and in the manner prescribed by law. The certificate shall be made a part of the record of the meeting. The failure of any member to receive notice of any meeting of the members shall not invalidate any action which may be taken by the members at any such annual or special meeting.

Section 4. (Quorum) At any annual or special meeting of the stockholders, a quorum necessary for the transaction of business shall be fifty (50) members. The attendance of a sufficient number of members to constitute a quorum at any meeting of the members shall be established by a registration of the members present at such meeting, which registration shall be verified by the president and secretary and shall be reported in the minutes of such meeting. Mail votes shall not be counted to determine a quorum except with respect to a question submitted to a vote by mail.

Section 5. (Order of Business) The order of business at the annual meeting of the members and so far as possible at all other meetings of the members shall be essentially as follows:

1. Establishment of quorum.
2. Reading of the notice of the meeting, together with proof of the due publication or mailing thereof or the waiver or waivers of notice of the meeting.
3. Presentation and reading of unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
4. Presentation and consideration of, and acting upon, reports of officers, directors and committees.
5. Election of directors.
6. Unfinished business.
7. New business.
8. Adjournment.

Section 6. (Directors Meetings) Each member of the board of directors shall be duly notified of all board meetings. A majority of the directors shall constitute a quorum at all meetings of the board and a majority vote of the members present shall decide all questions. The presence of a director at any meeting shall be deemed to be a waiver by him/her of any notice of such meeting.

Section 7. (Regular Meetings of the Board of Directors) Regular meetings of the board of directors shall be held monthly at a time and place fixed by the board.

Section 8. (Special Directors Meetings) Special meetings of the board of directors may be called by the president or any two (2) directors. The person or persons authorized to call special meetings of the board of directors may fix the time and place for the holding of any special meeting of the board of directors called by them.

Section 9. (Rules) Except as otherwise provided by law or the articles and bylaws of the association, the meetings shall be conducted in accordance with Robert's Rules of Order as the same is from time to time revised

ARTICLE II

VOTING

Section 1. (Majority Vote Controlling) At all meetings of the members at which a quorum is present, all questions shall be decided by a vote of the majority of the members present in person or represented by mail vote when voting by mail is authorized, except as otherwise provided by law, the articles of incorporation or these bylaws.

Section 2. (Voting by Mail) Any member who is absent from any meeting of the members may vote by mail upon any motion, resolution or amendment to be acted upon at any such meeting by ballot, which the board of directors may in its discretion submit to the shareholders for vote by them. The ballot shall be in the form prescribed by the board of directors and shall contain:

- (a) the exact text of the proposed motion, resolution or amendment to be acted upon at such meeting;
- (b) the date of the meeting; and
- (c) space opposite the text of such motion, resolution or amendment in which such member may indicate his/her affirmative or negative vote thereon.

A member shall express his/her choice by making an "X" in the appropriate space upon such ballot. Such ballot shall be signed by the member and when received by the association shall be accepted and counted as the vote of such absent member. No voting for directors by mail shall be permitted.

Section 3. (Voting List) Prior to any meeting of the members, the secretary shall make a complete list, arranged in alphabetical order, of the members by districts entitled to vote at such meeting and their addresses. Such list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting.

Section 4. (Credentials Committee) The president may in his discretion appoint a credentials committee

composed of five members prior to any meeting for the purpose of reviewing the voting lists and determining any dispute regarding voting rights which may arise before or during the meeting. Such determinations are subject to the review by the association's membership at the meeting.

Section 5. (Voting by Spouse of Member)

Whenever a vote of members of the association is required or provided for on any matter, including a petition, the spouse of the member may vote on behalf of the member unless the member has indicated otherwise or has registered at the meeting.

Section 6. (Ties) Tie voting for directors shall be broken by the flip of a coin.

**ARTICLE III
DIRECTORS**

Section 1. (Qualification and Tenure of Directors) All directors shall be members of the association and residents and consuming members in the district, as defined in Section 3, from which they are elected. All directors shall be elected for staggered three-year terms unless they are being elected to complete an unexpired term of a former director. Staggered elections shall be held so that directors of the following districts are elected at the annual meetings in the following years and each third year thereafter:

Districts 1 and 3	2018
Districts 2, 4 and 6	2019
Districts 5 and 7	2020

Section 2. (Persons Eligible) No member shall be eligible to become or remain a director who is not a bona fide resident and consuming member in the area served by the association, who is an employee of the association, or who is in any way employed by or financially interested in a competing enterprise or a business selling electric energy or supplies to the association or a business primarily engaged in selling electrical appliances, fixtures or supplies to the members; provided, however, that nothing in this section contained shall, or shall be construed to, affect in any manner whatsoever the validity of any action taken at any meeting of the board of directors.

Section 3. (Districts) The seven (7) directors shall be nominated and elected so that one (1) director shall represent each of the following districts:

DISTRICT 1 shall consist of that part of Lac qui Parle County which lies north of a line one mile north of U.S. Highway 212 and that portion of Big Stone County served by the association.

DISTRICT 2 shall consist of that part of Chippewa County which lies north of County Road No. 13 and that portion of Swift County served by this association.

DISTRICT 3 shall consist of that part of Lac qui Parle County lying south of a line one mile north of U.S. Highway 212.

DISTRICT 4 shall consist of that part of Chippewa County lying south of County Road No. 13 and that portion of Renville County served by this association.

DISTRICT 5 shall consist of that part of Yellow Medicine County lying west of the line drawn on the east borders of Townships of Friendship, Lisbon and Normania.

DISTRICT 6 shall consist of that part of Yellow Medicine County lying east of the east borders of Townships of Friendship, Lisbon and Normania and that portion of Redwood County served by this association.

DISTRICT 7 shall consist of that portion of Lincoln and Lyon Counties served by this association.

Section 4. (Nominations and Elections by Districts) Each director shall be nominated from his/her district at a district meeting of the members from that district or by petition as set forth in section 5 hereof and shall be elected at the annual meeting by the members present from the district from which he/she was nominated.

Section 5. (Nomination Procedure) Whenever a director is to be elected from a district at the annual meeting, it shall be the duty of the board of directors to call a district meeting of the members not less than forty-five (45) days and not more than sixty (60) days before the annual meeting for the purpose of nominating one (1) or more candidates for director from that district. Notice of the time and place of each district meeting shall be given by a fourteen (14) day notice published in a legal newspaper in the district or a fifteen (15) day notice mailed to all members in the district.

Section 5. (B) (Petition Procedure) As an alternative to the Nomination Procedure set forth in Section 5. (A), members from the district from which a director is to be elected may submit a written petition for nomination of a director from the district. Any such written petition shall be signed by not less than fifteen (15) bonafide members of the district in good standing with the association and filed with the central office of the assembly no later than thirty (30) days prior to the date of the annual meeting.

Section 5. (C) (Exclusivity Procedure) The procedures set forth in Section 5. (A) and 5. (B) shall be the exclusive means for the nomination of directors and nominations from the floor at the annual meeting shall not be permitted.

Section 6. (Conduct of District Meeting) Subject to the provisions of these bylaws, the members at the district meeting shall make their own rules of procedure relating to the conduct of such meetings and the nomination of the candidates. The names of all nominees shall be reported to the association's principal office immediately after the holding of a district meeting.

Section 7. (Quorum for Nomination and Election) Those present at a district meeting shall constitute a quorum and the members present at an annual meeting from the district from which a director is to be elected shall constitute a quorum for the election of a director from such district.

Section 8. (Vacancies) Subject to the provisions of these bylaws with respect to the removal of directors, vacancies occurring in the board of directors shall be filled by appointment by a majority vote of the remaining directors, provided that the persons so elected by the board to fill such vacancy shall be a resident of the same district represented by the person whose place he/she assumes on the board, and any person elected to fill such vacancy shall hold office until the next annual meeting of the stockholders or until his/her successor shall have been elected and shall have qualified. The term of the director elected to fill a vacancy shall be in accordance with the schedule for staggering set forth in Section 1 of this Article.

Section 9. (Removal) The members of the district from which a director is elected shall have the power at any meeting or special meeting to remove any director for cause complying with the following procedure: Any member may bring charges against a director by filing them in writing with the secretary, at least 20 days prior to the date of the meeting, together with a petition signed by at least fifteen (15) percent of the members of the district from which the director has been elected, requesting the removal of the director in question. The removal shall be voted upon at the next regular or special meeting of the members. The director against whom such charges have been brought shall be informed in writing at least twenty (20) days before the meeting of the charges and shall have an opportunity at the meeting to be heard in person or by counsel and to present witnesses; and the person or persons bringing the charges against him/her shall have the same opportunity. Only those eligible to vote for a director from the district from which a director is being

removed shall be eligible to vote on the question of removal. The vacancy created by any such removal shall be filled for the unexpired term at the same meeting the director is removed by the members from that district who are present at such meeting.

Section 10. (Compensation) Directors as such shall not receive any salary for their services. However, the board of directors may by resolution specify that a fixed sum and expenses be paid to directors for attendance at each meeting of the board of directors and for attending other activities and events pertaining to the business of the association. Also, in addition to the fixed sum and expenses for attendance at meetings, the board of directors may provide for indemnification of directors by the association for liabilities and expenses incurred while serving as directors and for insurance to pay such to the extent that such indemnification and insurance is authorized by law and may also provide for the payment by the association of insurance premiums for group hospitalization insurance, health and accident insurance, life insurance and other group insurance for the directors. No director shall receive compensation for serving the association in any other capacity, nor shall any close relative of director receive compensation for serving the association, unless such compensation be approved by the unanimous vote by the board of directors.

ARTICLE IV

DUTIES AND POWER OF DIRECTORS

Section 1. (Management of Business) The board of directors shall direct the business and the affairs of the association. They shall make all necessary rules and regulations that are not inconsistent with law, and with the articles of incorporation and bylaws. Such rules and regulations shall be established for the operation of the business, the guidance of the officers, the management of the association and for any special agent of the association. The board of directors shall have power to employ and dismiss a manager, and to determine his duties and fix his wages.

Section 2. (Bonds of Officers) The board of directors shall require the treasurer or any other officer charged with responsibility for the custody of any funds or property of the association, to give a bond in such sum and with such surety as the board of directors shall determine. The board of directors in its discretion may also require any other officer, agent or employee to give bond in such amount and with such surety as it shall determine.

Section 3. (Accounting System and Reports) The board of directors shall cause to be established

and maintained a complete accounting system which among other things subject to applicable laws and rules and regulations of any regulatory body, shall conform to such accounting system as may from time to time be designated by the Administrator of the Rural Electrification Administration of the United States of America. The board of directors shall also after the close of the fiscal year cause to be made a full and complete audit of the accounts, books and financial condition of the association as of the end of such fiscal year. Reports of such audit shall be submitted to the members at the following annual meeting.

Section 4. (Seal) The board of directors shall provide a seal for the association in such form as it may prescribe.

Section 5. (Power to Limit Electric Energy) The directors may limit the amount of electric energy to be furnished to any patron.

ARTICLE V OFFICERS

Section 1. (Officers of Association) The officers of the association shall be those specified in the articles of incorporation and such other subordinate officers as may be prescribed by the board of directors.

Section 2. (Elections and Term of Office) Excepting subordinate officers, the officers shall be elected by ballot annually by and from the board of directors at the first meeting of the board of directors held after each annual meeting of the members. Each officer shall hold office until the first meeting of the board of directors following the next annual meeting of the members or until his/her successor shall have been duly elected and shall have qualified.

Section 3. (Removal) Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interest of the association will be served thereby.

Section 4. (Vacancies) A vacancy in any office may be filled by the board of directors for the unexpired portion of the term.

Section 5. (President) The president:

- (a) shall be the principal executive officer of the association and shall preside at all meetings of the members and of the board of directors;
- (b) shall sign, with the Secretary, stock certificates of the association, and shall sign any deeds, mortgages, bonds, contracts, or other instruments authorized by the board of directors to be executed,

except in cases in which the signing and execution thereof shall be expressly delegated by the board of directors or by these bylaws to some other officer or agent of the association, or shall be required by law to be otherwise signed or executed; and

- (c) in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time.

Section 6. (Vice-President) In the absence of the president or in the event of his/her inability or refusal to act, the vice-president shall perform the duties of the president and when so acting, shall have all the powers of and be subject to all restrictions upon the president and shall perform such other duties as from time to time may be assigned to him/her by the board of directors.

Section 7. (Secretary) The secretary shall:

- (a) keep the minutes of the meeting of the members of the board of directors in one or more books provided for that purpose;
- (b) see that all notices are duly given in accordance with these bylaws or as required by law;
- (c) be custodian of the corporate records and of the seal of the association and see that the seal of the association is affixed to all stock certificates prior to the issue thereof and to all documents, the execution of which on behalf of the association under its seal is duly authorized in accordance with provisions of these bylaws;
- (d) keep a register of the post office address of each member which shall be furnished to the secretary by such member;
- (e) sign with the president stock certificate of the association, the issue of which shall have been authorized by resolution of the board of directors;
- (f) have general charge of the books of the association in which a record of the members is kept;
- (g) keep on file at all times a complete copy of the articles of incorporation and bylaws of the association containing all amendments thereto, which copy shall always be open to the inspection of any members, and at the expense of the association to forward a copy of the bylaws and of all amendments thereto to each member; and
- (h) in general perform all duties incident to the office of the secretary and such other duties as from time

to time may be assigned to him/her by the board of directors.

The board of directors may delegate to others such duties of the Secretary as it may deem advisable.

Section 8. (Treasurer) The treasurer shall:

- (a) have charge and custody of and be responsible for all funds and securities of the association;
- (b) receive and give receipts for moneys due and payable to the association from any source whatsoever, and deposits all such moneys in the name of the association in such banks as shall be selected by the board of directors.
- (c) in general perform all duties incident to the office of treasurer and such other duties as from time to time may be assigned to him/her by the board of directors.

Section 9. (Reports) The officers shall submit at each annual meeting of the members reports covering the business of the association for the previous fiscal year and showing the condition of the association at the close of such fiscal year.

The board of directors may delegate to others such duties of the treasurer as it may deem advisable.

ARTICLE VI

MEMBERSHIP

Section 1. (Use of term “Member”) The term “member” as used in these bylaws shall have the same meaning as the term “stockholder” as used in the act under which the association is incorporated.

Section 2. (Qualifications and Obligations) Any person, including a partnership, corporation or trust, may become a member of the association by: (a) purchasing a share of the capital stock of the association; and (b) agreeing to comply with and be bound by the articles of incorporation of the association and these bylaws and any amendments thereto and such rules and regulations as may from time to time be adopted by the board of directors; provided, however, that no person shall become a member until approved by the board of directors.

Section 3. (Cancellation of Stock)

- (a) any member who knowingly, intentionally, or repeatedly violates any of the provisions of these bylaws, articles of incorporation, or policies established by the board of directors shall be required by

the board of directors to cancel his/her stock in the association. Stock so cancelled shall be retired and cancelled by the board of directors. Any member whose stock has been cancelled may be reinstated as a member by a vote of the board. The action of the board of directors with respect to any reinstatement shall be final.

- (b) the membership of a member who for a period of six (6) months after service is available to him/her has not purchased electric energy from the association or of a member who has ceased for twelve (12) months to purchase energy from the association, shall be cancelled by the resolution of the board of directors.

Section 4. (Non-Liability for Corporate Debts) The private property of the members shall be exempt from execution of the debts of the association and no member shall be individually responsible for any debts or liabilities of the association.

Section 5. (Partnership, Corporate, Trust and Joint Members) A partnership or corporation may be a member of the association. When applying for membership in the association a partnership shall give the name of the firm and the names and addresses of all partners, a corporation which is a family or authorized farm corporation shall give the name of the corporation and the names and address of all shareholders residing on or actively operating the farm. Other corporations shall give the name of the corporation and the name and address of its president. Trusts shall give the name of the trust and the name and address of each trustee. Members who own stock as joint tenants shall give and name and address of each joint tenant. Unless firms or natural persons have notified the association in writing at least one day prior to a membership meeting of the association that a designated partner, shareholder, other representative of the corporation, or joint tenant is entitled to vote at the meeting, the first partner or qualified shareholder of the member, or the first joint tenant to register at the meeting shall be deemed appointed to represent the firm or other persons and shall be entitled to vote, provided that in the case of partnerships and family or authorized farm corporations, only partners or shareholders whose names were furnished to the association may register.

Section 6. (Easements) As a condition of membership in the association, present and future members shall without charge grant the association easements for distribution lines. The board of directors shall establish reasonable terms and conditions for such easements.

ARTICLE VII

STOCK

Section 1. (Issuance of Stock) Shares of stock shall be issued to members as required by the association's Articles of Incorporation upon application and approval of the board of directors. The association shall maintain records of all shareholders. All persons becoming members after April 1, 1989, and all stock issued after April 1, 1989, shall be issued as uncertificated shares with a par value of 1/10 of a cent per share. Within a reasonable time after the issuance or transfer of an uncertificated share, the association shall send to the stockholder a written statement containing the following information: the name of the association and the laws under which it is incorporated, the shareholder's name, the shareholder's ownership of one share of stock, that upon request the association will supply the shareholder with information regarding the shareholder's capital accounts, that stock is reacquired by the association at par value when a person ceases to be a member, and that stock cannot be bought or sold except with the approval of the board of directors of the association.

Section 2. (Retirement of Old Stock) The certificated \$3.00 per share par value stock that was outstanding prior to April 1, 1989, shall be surrendered to the association and exchanged for the uncertificated shares with one-tenth per cent per share par value. All persons holding certificated stock shall be paid \$3.00. Any certificates that are not returned shall be cancelled on the books of the association upon payment of the \$3.00 to the record holder and shall be considered no longer outstanding.

Section 3. (Transfer of Share of Stock) Transfers of shares of stock shall be made only on the books of the association by the registered holder thereof or by his/her attorney thereunto authorized by power or attorney duly executed and filed with the secretary. No shares of stock shall be sold or transferred without the consent and approval of the board of directors. The association shall have the right and privilege of acquiring the shares of stock of any person who ceases to be a member for the price paid by that member for such share. Any share of stock so acquired by the board of directors for the association may be held as treasury shares or may be retired and cancelled as may be determined by the board of directors.

Section 4. (Recordholder Deemed Owner) The person in whose name shares of stock stand on the books of the association shall be deemed the owner thereof for all purposes as regards the association.

Section 5. (Closing of Transfer of Books) No new stocks shall be issued and no transfers of stock shall be made for a period of fifteen (15) days immediately prior to any annual or special meeting of the members.

ARTICLE VIII

CAPITAL CONTRIBUTIONS

Section 1. (Accounting) The association's records shall be kept in such a manner, by years, that the amount of each patron's credit may be ascertained and credited to the account of the patron as capital credit. Whenever, in any given year, there is an operating loss, such loss shall be charged against patron's capital credit accounts on the basis of the business done with the association by each patron during the period of the loss.

Section 2. (Notification of Capital Contribution) The association shall within a reasonable time after the close of the fiscal year notify each patron of the amount credited to his/her account. Funds represented by patron's credit are held by the association with the understanding that they are furnished by the patrons, members and non-members alike, as capital contribution to the association.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 1. (Contractual Agreement) By dealing with this association, the patrons acknowledge that the terms and provisions of the articles of incorporation and by-laws shall constitute a contract between the association and each patron, and both the association and the patrons are bound by such contract as fully as though each patron had individually signed a separate contract. Every member of the association shall agree in writing as part of his/her application for membership to be bound by the articles of incorporation and bylaws of the association and the policies adopted by the board of directors. The provisions of this Section shall be called to the attention of patrons of the association by sending a copy thereof to each patron, or by delivering or posting a copy in a conspicuous place in the association's office.

Section 2. (Change of Rates) Written notice shall be given to the administrator of the Rural Electric Administration not less than ninety (90) days prior to the date upon which any proposed change in rates charged by the association for electric energy becomes effective.

Section 3. (Waiver of Notice) Any member, director or officer may waive in writing any notice of meeting required to be given by law, the articles of incorporation of these bylaws.

Section 4. (Membership in Other Organizations) The association may become a member of such other organizations as may be deemed by the board of directors to be to the best interest of the association.

Section 5. (Official Newspaper) The board of directors is authorized to provide an official newspaper for the members of the association and to pay for the same, and the expense thereof shall be an expense of doing business.

ARTICLE X

AMENDMENTS

These bylaws may be amended in whole or in part at any regular or special meeting of the stockholders in the same manner as provided for by law.

END

EXHIBIT B

Member Handbook



*Welcome to
Minnesota
Valley!*

Location # _____

Member # _____

About your Cooperative

Minnesota Valley Cooperative Light and Power Association (Minnesota Valley R.E.C.) is a member-owned rural electric cooperative. Our main purpose is to provide safe and reliable electricity to our members. Minnesota Valley R.E.C. also offers many other programs and services to its members and they are explained in this Handbook.

Please write your Location # and Member # on the front cover of this Member Handbook the same as they are printed on your monthly energy bill. Keep it in a place where you can easily find it in case of a power outage. When calling in an outage, it is helpful to us if you know your Location #. Be sure to download the Smart Hub app to manage all aspects of your electrical account online and with your mobile device. Go to our website for information on how to sign up.

Please take a few minutes to look through this Member Handbook. If you have any questions about your cooperative or the information provided here, please call Minnesota Valley R.E.C. at 320.269.2163 or 800.247.5051. Your comments, suggestions or questions are always welcome.

Contact us:

Minnesota Valley R.E.C.

501 South 1st Street

P.O. Box 248

Montevideo, MN 56265

Phone: **320-269-2163 or 800-247-5051**

Fax: **320-269-2302**

E-mail: **mnvalley@mnvalleyrec.com**

Website: **www.mnvalleyrec.com**

After hours calls are answered by the Cooperative Response Center (CRC) in Austin, MN. Outages are dispatched to our line crew on call.

Office Hours

Monday-Friday from 8:00 a.m. to 4:30 p.m.

There is a 24-hour drive-up drop box in front of the building.

Board of Directors

District 1 - Don Fernholz, Vice-President

District 2 - Gary Groothuis, Director

District 3 - Mark Peterson, Secretary

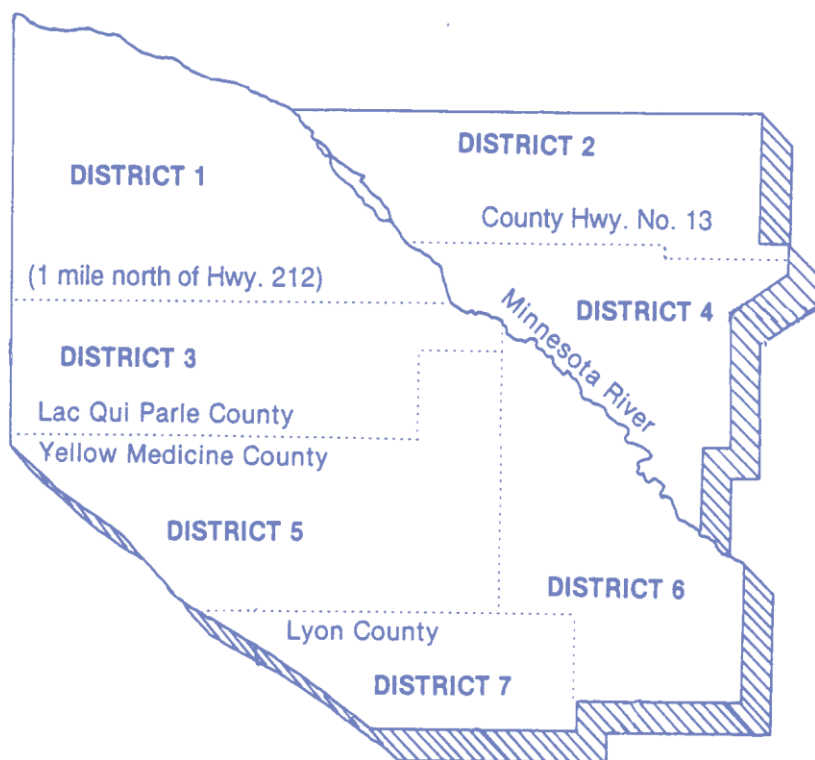
District 4 - Steve Norman, President

District 5 - Darryl Bursack, Director

District 6 - Tim Velde, Director

District 7 - Wayne Peltier, Director

This co-op is your business. It is governed by a seven member Board of Directors elected by you, the members. Directors (one from each district) are alternately elected for three-year terms at the Annual Meeting and meet monthly to discuss cooperative business. They are the consumer's voice in the operation of the cooperative.



Minnesota Valley Cooperative Light and Power Association purchases around 75% of its power from Basin Electric Power Cooperative, head-quartered in Bismarck, North Dakota. Basin Electric is a regional wholesale generation and transmission (G&T) cooperative serving more than 130 member systems. These member systems, including Minnesota Valley, provide power and services to more than 3 million consumers in nine states.



By end of year 2021 Basin Electric will operate 5,222 megawatts (MW) of wholesale electric generating capability and have 7,263 MW of capability within its resource portfolio. Their electric generation facilities are located in North Dakota, South Dakota, Wyoming, Montana, and Iowa. Most of Basin Electric's baseload capacity comes from coal. Peaking facilities are oil or natural gas-based. Basin also has 23.6% of intermittent renewable power in their resource portfolio.

The remaining 25% of Minnesota Valley's power is purchased from the Western Area Power Administration (WAPA). WAPA markets and delivers reliable, cost-based hydroelectric power and related services within 15 central and western states. In December of 1977, high gas prices and an emphasis on conservation led Congress to create the Department of Energy, including WAPA - a new agency to sell and deliver hydropower to the 15-state region. Decades later, our nation is still concerned with the



same issues that resulted in the birth of WAPA, making their mission of delivering clean, renewable energy all the more crucial to meeting today's energy demands.

Through these sources of power, Minnesota Valley continues to provide their members with reliable electricity for their daily needs.

Rates/Charges

Please call the office at 320.269.2163 or 800.247.5051
or look on our website at www.mnvalleyrec.com for current rates.

Single-Phase Service Rate

Monthly Availability Charge: \$25.00

Monthly Energy Charge for:

First 700 kWh per month @ \$0.1382 per kWh

Over 700 kWh per month @ \$0.1182 per kWh

Dual Heat Rate

(Fossil fuel backup needed)

Energy Charge is \$0.044 per kWh/October-April

Energy Charge is \$0.091 per kWh/May-September

Electric Heat Rate

(Any amount of electric heat qualifies)

Energy Charge is \$0.048 per kWh/October-April

Energy Charge is \$0.095 per kWh/May-September

Sales Tax Exemptions

Available for electric heat and agricultural usage

Fees

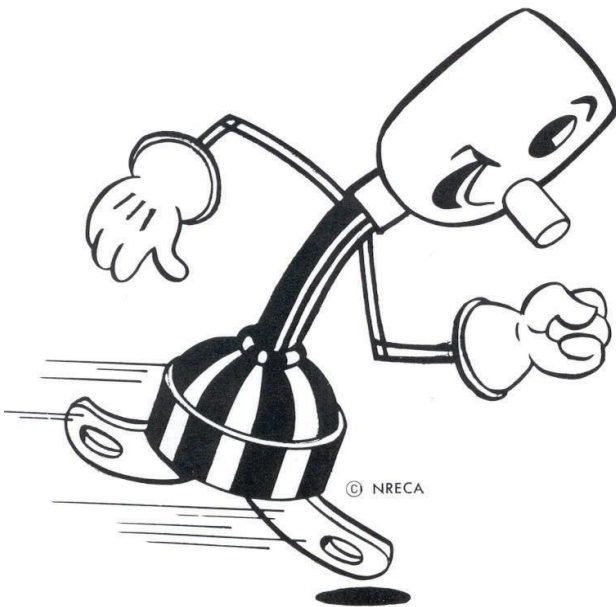
Account Transfer Fee	\$ 5
Connection Fee	\$ 25
Reconnect Fee during business hours	\$100
Collection Fee (Trip charge)	\$ 50
Returned Check Charge	\$ 20

Security Light Rental

LED security light \$8.00 per light/month

Billing Procedure

Minnesota Valley meters are equipped with a “Turtle” automatic meter reading (AMR) system. The Turtle meters allow us to get a meter reading from any meter on any given day through our main computer in the office. These Turtle AMRs help us in many ways by allowing us to get a reading the same day a member moves on or off assist members with high energy usage concerns; eliminate the need for cooperative employees to go out and read meters; and notify Minnesota Valley that there is a problem on the line such as a service interruption (power outage). Readings are recorded on the last day of each month and monthly bills are mailed around the 10th of each month. Payments are due by the 25th of each month. The delinquent charge is 1.5% of the total monthly charges on any bill not paid by the 1st of the following month.



What To Do When Your Power Is Out!

Calls made to Minnesota Valley before 8:00 a.m. or after 4:30 p.m and on weekends or holidays, are answered by the Cooperative Response Center (CRC) in Austin, MN. Any outage calls received by them will be dispatched to our line crew on call. In the case of severe weather, resulting in a large and prolonged outage after hours, the phones may be switched back to the office as soon as there are employees in the office available to answer calls. These types of outages are difficult for all of us. We appreciate your patience and cooperation during these times.

Tips on Reporting Outages

1. Check your fuses or circuit breakers both in the house and at the meter pole. If crews are dispatched and the outage is a result of a problem on your side of the meter, you will be charged \$100 during working hours and \$150 for after-hours calls.
2. Check with your neighbors to see if their lights are also out.
3. Call Minnesota Valley at: **320.269.2163 or 1.800.247.5051.**

**Be able to provide the LOCATION NUMBER
for the account without power when reporting an outage.**

If your call is answered by a recording, select the option for reporting an outage. It is important for you to know your Location Number when reporting an outage. **Your Location Number is printed on your monthly bill, so it would be a good idea to write it on the front of this Handbook and keep it near your phone.** Power will be restored as quickly as possible and we will remain on the job until all services are back in operation. If you find that your neighbors who are on your line have had their electricity restored and you have not, please call to let us know. Sometimes outages can be individual as well as an entire line. Please report anything that might be helpful to

lights blinking before they went out, lines down, poles down, sparks on a pole, trees/ branches on the lines or anything else you notice out of the ordinary.

4. Stay away from downed power lines. Only trained linemen can safely handle power lines.

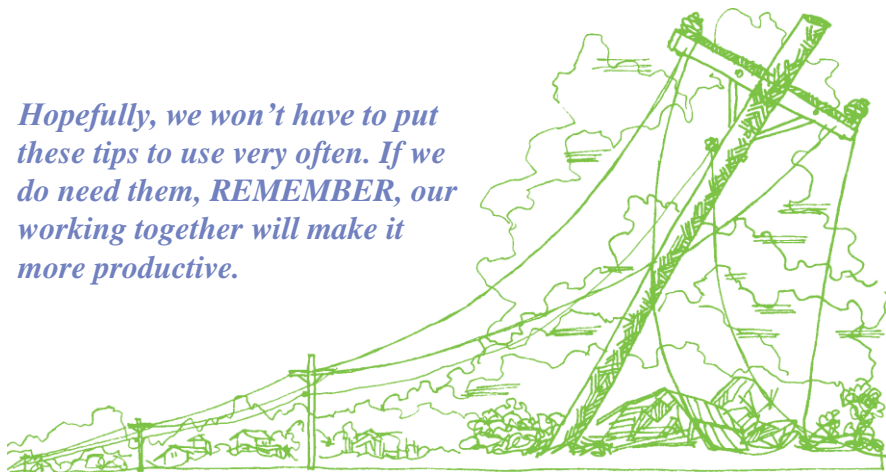
5. If you are experiencing low voltage (a brownout) unplug any electric equipment including TV, DVD/VCR, refrigerator, freezer, microwave, computer and any other electronics.

6. During a major outage, turn on your battery operated radio for news concerning the outage and weather. We will usually broadcast messages concerning outages on KDMA (AM1460) or KMGM (FM105.5) in Montevideo; KDJS (FM95.3) in Willmar; and KLQP (FM92.1) in Madison.

7. Keep emergency supplies handy. Items to have on hand include candles, matches, blankets, flashlight, bottled water and a radio with fresh batteries.

8. Leave a light on so you will know when electricity is restored.

*Hopefully, we won't have to put these tips to use very often. If we do need them, **REMEMBER**, our working together will make it more productive.*



Bill Payment Options

Automatic Payment Plan

You can enjoy the convenience of having your electric bill paid automatically from your bank account on the 27th of each month. We will send you a monthly bill as usual stating that payment is going to be made by your bank.

Budget Billing

If you have been a member of the cooperative for 12 months and have a good payment record, you can go on Budget Billing. This allows you to make fixed monthly payments on your energy bills. The amount is determined by an average of the last 12 months' bills. Budget Billing accounts are calculated in June of each year. Any balance due over the budget amount must be paid at that time. Credit balances will be divided by 12 months and subtracted from your new monthly budget, lowering your amount due each month.

Credit Card Payments

Members can pay up to \$4,000 on their electric bill each month with a credit card. This can be done by coming into the office; by phone at 320.269.2163 or 800.247.5051; or on our website at www.mnvalleyrec.com and following the instructions.

Programs and Services for Members

Wind power purchase

Minnesota Valley offers our consumers the option of voluntarily purchasing additional electricity produced by wind. You can sign up to purchase as many blocks as you want each month. Call Minnesota Valley for the current cost for each 100 kwh block purchased per month in addition to your regular energy usage. Sign up by contacting Minnesota Valley at 320.269.2163 or 800.247.5051.

High usage concerns

Minnesota Valley's Member Services Department will help you understand reasons for high energy use or help you find the cause of it. We will check over your daily energy use history, send a technician out to your premises to help locate a high energy user or problem. To locate a problem appliance on your own, you can pick up a test meter from the office to use at home. You can also check your daily energy usage or billing history any time you want on our website at [www. mnvalleyrec.com](http://www.mnvalleyrec.com). Select "Energy Usage" and enter your User ID and Password. (If you are a first time user, you will be asked to complete a short form. Along with other information, you will be asked to select a User ID and Password. Remember those two things - they are all you will need to gain future entrance into the Smart Hub site.) Then simply follow the instructions on the screen.

Electric Heat Rates

- Electric heat is sub-metered and billed at special low rates.
- Low electric heat rates are currently as shown below.

Dual Heat Rate is 4.4¢ per kWh in October-April and 9.1¢ per kWh in May-September

- Consumer must have permanently wired electric heat capable of heating the entire building.
- Consumer must have an automatic fossil fuel backup capable of heating the entire building.
- Consumer must agree to use electric heat for 100% of their heating needs, all the time.

Electric Heat Rate is 4.8¢ per kWh in October-April and 9.5¢ per kWh in May-September

- Any permanently wired-in electric heat qualifies.
- No backup is required.

Sales tax exemptions

If you heat your home with electric heat, that energy may be sales tax exempt during the winter months. You can also claim a percentage exemption for agricultural use all year long.

Equipment sales and installation

- **Electric heating systems** of all kinds including ground water source heat pumps, air to air heat pumps, baseboard heaters, underslab radiant heat, cove heaters, furnaces and boilers are available. Contact us for details or to have a representative stop out to help you decide what type of electric heat will suit your situation and to explain the rebate program. (See loan information on page 12.)

- **Electric water heater** prices for the purchase of 50 and 85 gallon sizes with lifetime tank warranties include a temperature and pressure relief valve.

- Residential new construction or upgrades are eligible for a rebate of up to \$300 per unit for electric water heaters that carry a lifetime tank warranty.

\$100 for 50 Gallon

\$200 for 80 Gallon

\$300 for 100 Gallon

- Non-residential are eligible for 1/2 of the residential rebate on water heaters.

- **Central air conditioning systems** are sold to members and can be installed by Minnesota Valley Member Services Technicians. We will size your home for central air and give you a bid on installation. Minnesota Valley Technicians will provide maintenance service for all types of central air conditioning systems. (See loan information on page 12.)

- Air conditioner rebates are \$1 per 1,000 BTUs for EnergyStar rated units.
- Rebates will be increased to \$2 per 1,000 BTUs for units with a SEER rating of 16 or higher.

Rebates for heat pump installation

Air Source Heat Pumps:

- Rebates are \$6 per 1,000 BTUs
- Unit must be EnergyStar rated
- Rebates cover new and replacement models

Ground Water Source Heat Pump:

- Rebates are \$12 per 1,000BTUs
- Unit must be a COP rating of 3.6 or higher
- Rebates cover new and replacement models

Heating System Maintenance Program

Cooperative Member Services Technicians will provide preventative maintenance service for all types of heating systems including gas, oil, electric and heat pumps. This furnace inspection program DOES NOT include fireplaces. It is a very popular service and the schedule fills up quickly, so call in the spring to be sure your system gets on the inspection schedule.

Merchandising

Members can purchase the following equipment from the co-op:

- * **Electric Grills** - We have several models of MECO electric barbecue grills to choose from in stock and on display. Stop by the office and take a look!
- * **Surge Suppressors** - We have a variety of surge suppressors available to members. Minnesota Valley will install a surge suppressor on your meter loop, electrical panel or individual equipment. This will help protect your more voltage sensitive equipment from the wear of momentary voltage surges. Things that might be affected are computers and other equipment containing electronic components.
- * **Standby Generators** - We sell and install Generac Standby Generators. They are automatic generators that will be able to provide power to your service during outages.

Member Loans

Minnesota Valley has loans of up to \$15,000 available at 5% interest to qualified members for weatherization, installation of electric heating or cooling equipment and wiring upgrades.

Weatherization

Loan funds can be used for labor and materials involved in weatherization practices including new thermal windows and doors, adding insulation in attic or walls, caulking and weather-stripping.

Electric heat or central air installation

Loan funds can be used for the purchase and labor on installation of any type of electric heating system or central air conditioner from Minnesota Valley or the contractor of your choice.

Water Heaters

We offer an 12 month, interest free, loan to members purchasing a water heater from MN Valley. A \$50 origination fee is collected up front. Your loan payment is setup on your energy bill for 12 months.

Wiring Upgrades

You can borrow money for all labor and material involved in the upgrading of secondary wiring that is in poor condition.

Call Minnesota Valley's Member Services Department for a credit application or with any questions regarding loans.

Environmental Monitoring Systems

Minnesota Valley offers environmental monitoring and the associated equipment to members. We will sell and install the associated equipment to members to monitor power, temperature, motion, water intrusion and fire. We can order many different types of equipment, depending on the application. Livestock confinements can have special systems installed to monitor power and temperature in their very controlled environment.

Electrical planning advice

Electrical planning and application assistance is provided at no charge to members. This can include such things as planning the wiring layout for a residence or other building, heating system and lighting system.

Energy Audits

Energy audits are conducted for members at no charge and are usually done for two reasons: 1) to help you find cost-effective measures for improving the energy efficiency of your home or building, or, 2) to determine heat loss or gain of a home or building as is required for sizing a heating or cooling system.

Stray Voltage Investigations

If you suspect a problem with stray voltage, contact the Member Services Department at Minnesota Valley. We will send a crew to your location to find out if a problem exists and make recommendations to remedy the situation.

Minnesota Valley Tree Service, LLC

Minnesota Valley R.E.C. owns the Minnesota Valley Tree Service located in Granite Falls. They have a certified arborist on staff as well as experienced and knowledgeable employees to take care of your tree trimming and removal needs safely and efficiently. You can call the Tree Service at 320-564-1899 or visit their website at www.minnesotavalleytreeservice.com.

Security light rental

Minnesota Valley will install and maintain security lights for members on a rental basis. Rental security lights are not run through the meter, so the only cost is the rental of \$8.00 plus tax per light per month for a LED light.

Call before you dig!

Cutting an underground power line, telephone line or pipeline can be very dangerous and costly to you. Before you begin any digging projects, call **Gopher State One Call** at **1.800.252.1166**.

They will ask for detailed information, including: type of work being done; how long the work will take; directions to the work site and the township, range, section and quarter section coordinates (legal description) of the work site. Please be sure to have all of this information ready when you call so your request can be processed quickly.

We're here to help!

**Phone: 320.269.2163
or 800.247.5051**

Website:

www.mnvalleyrec.com

E-mail us at:

mnvalley@mnvalleyrec.com



Capital Credits



What are Capital Credits? They are somewhat similar to the dividends paid to shareholders of investor-owned utilities. But because Minnesota Valley is a cooperative, owned by its members, it does not technically earn profits. Instead, your cooperative's rates are set to bring in enough money to pay operating costs, make payments on any loans and provide an emergency reserve. At the end of each calendar year, we subtract operating expenses from the total amount of money collected during the year and the balance is the "margin." This margin is allocated to each member based on the amount they paid for electricity in that year. You will receive an allocation notice annually after the finances for the previous year have been audited. When capital credits are retired (paid out), a check is issued to you. Checks are generally issued 14-15 years after the year in which the margins were earned.

You begin earning capital credits the day you become a member of Minnesota Valley and pay your first bill. The amount of capital credits you earn in a given year is based on the amount of capital you contribute to the cooperative through payment of your monthly bills. The more electricity you buy, the greater your capital credit account. The sum of your monthly bills for a year is multiplied by a percentage to determine your capital credits. This percentage varies from year to year, depending on the success of the cooperative.

Your capital credits remain on the books in your name and member number until they are retired. Because payments are made approximately 14-15 years after credits are earned, you should be sure that Minnesota Valley always has your current mailing address. The capital credits of a deceased member may be paid without waiting for a general retirement. However, these estate payments are not automatic. A representative of the estate must either call the office or come in to pick up a Certification of Entitlement form. A copy of the death certificate is also needed. Contact us with any questions.

We need your help!

In November of 1994, Minnesota Valley began a program called “**Operation Round Up**”, designed to provide financial assistance to projects, organizations and families in our area communities. Using monthly donations from Minnesota Valley members, a trust fund has been set up with the goal of making a big difference with small change. By allowing the co-op to round up your monthly electric bill to the nearest dollar each month, you contribute the extra cents to the Operation Round Up trust fund. Money in the fund is used to support such projects as: firefighting equipment for volunteer fire departments; life-saving equipment for ambulance or rescue squads; hospice programs; education scholarships; youth programs; Toys for Tots and similar programs; emergency fuel assistance; and clothing, shelter or medical services for families or individuals following an illness, accident, storm or other emergency. As word about Operation Round Up’s contributions to area needs spreads, people are becoming more aware of the program and its value to our area communities.

The trust fund is administered by the Minnesota Valley Cooperative Light and Power Association Trust, a group of members appointed by, but operating independently of, the co-op’s Board of Directors. The Trust Board evaluates and considers all applications on an individual basis at their quarterly meetings and determines distribution of funds.

We hope you will join in contributing to Operation Round Up. If you wish to participate, simply call the Office Department at 320.269.2163 or 800.247.5051; or fill out, clip and return the form below with your next energy payment; or send a note with your next payment. You may withdraw from the program at any time.



YES! Please enroll me in Operation Round Up!

Name: _____

Address: _____

Full Nondiscrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Person with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202)720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800)877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov

USDA is an equal opportunity provider, employer, and lender.

MVCLP APP & Online Account Access Keeps You Informed

As our customers, you want convenient account access and detailed information about your use. Put the power of data in your hands with mobile and web apps. You can have the tools you need to manage your account. **Online Account Access** on the website gives you the ability to manage an account anytime, anywhere on the Web. Just click on the *Online Account Access* button located at the top of the our website at www.mnvalleyrec.com. You can also access on a mobile device using the MVCLP App. You have the option to pay a bill, check account usage, report service issues and contact our office right at your fingertips. You can gain a better understanding of energy use.

The home screen provides an overview of account information with the next amount due and your total balance. Any alerts, such as notification of a delinquent bill, are displayed here as well. There are many links on the screen that allow you to quickly navigate to various sections of the application such as, to make a payment, view usage view billing and payment information

Online Account Access/MVCLP bill payment and transaction environment is designed with the latest security features available, giving you the comfort of knowing any time your bill is paid, the transaction will be safe and sound.



How to Get the App

- 1) Download the app from the Apple App Store or the Google Play Store by searching for "MN VALLEY REC" or "MVCLP" (not case sensitive). If duplicates appear, our partner, National Information Solutions Cooperative, provides the correct app.
- 2) Select the *New User* link.
- 3) Enter your account information and choose *Register*.
- 4) A temporary password will be sent to the email address you provide.
- 5) When you receive the email, click the login link and use the temporary password.
- 6) Change your password and choose *Continue* to access the MVCLP app.

Scan one of the QR codes below with your mobile device for your app store.



Google Play Store



Apple App Store

EXHIBIT C

W.O. 19003

Account No. N2-14-3M (Sign)
Agreement Expires Dec. 3, 1995

AGREEMENT FOR PURCHASE OF POWER

AGREEMENT made December 3 1990, between Minnesota
alley Cooperative Light and Power Association, hereinafter called the
Cooperative" and

Firefly Creek Casino

by Dean Blue

hereinafter called the "Consumer", a corporation, partnership, individual
strike inapplicable designation.)

WITNESSETH:

The Cooperative agrees to sell and deliver to the Consumer, and the
Consumer agrees to purchase and receive from the Cooperative all of the
electric power and energy which the consumer may need at

N2-14-3M SW 1/4 Sec. 14 115-39, Yellow Medicine Cty.
p to 10 KVA, upon the following terms: \$7.00 Monthly minimum

1. SERVICE CHARACTERISTICS

Service hereunder shall be alternating current, single phase,
sixty Hertz 120/240 volts.

2. PAYMENT

a. The Consumer shall pay the Cooperative for service hereunder
at the rates and upon the terms and conditions as set forth in the
applicable rate schedules established by the Cooperative. The minimum
charge per month shall be as specified in the applicable rate schedule.

b. The Consumer agrees that if, at any time, the rate under which
the Cooperative purchases electric energy at wholesale is modified, the
Cooperative may make a corresponding modification in the rate for service
hereunder.

3. CONTINUITY OF SERVICE

The Cooperative shall use reasonable diligence to provide a
constant and uninterrupted supply of electric power and energy; but if such
supply shall fail or be interrupted, or become defective through act of
God, or the public enemy, or by accident, strikes, labor troubles, or by
action of the elements, or inability to secure rights-of-way, or other
permits needed, or for any other cause beyond the reasonable control of the
Cooperative, the Cooperative shall not be liable therefor.

4. MEMBERSHIP

The consumer shall become a member of the Cooperative and be bound
by the provisions of the Articles of Incorporation and By Laws of the
Cooperative and by such rules, regulations, and policies as may from time
to time be adopted by the Cooperative.

5. TERM

This agreement shall become effective on the date service is first available hereunder by the Cooperative to the Consumer, and shall remain in effect for a period of five Years and thereafter until terminated by either party giving to the other three Months notice in writing.

6. SUCCESSION

This agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, assigns and successors in interest and shall be appurtenant to and until the 3rd day of December, 1995, shall be binding upon all subsequent owners of that certain tract of land in the County of Yellow Medicine and State of Minnesota described as follows: SW 1/4 Section 14 115-39

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized representatives all as of the day and year first above written.

WITNESS:

Secretary

MINNESOTA VALLEY COOPERATIVE
LIGHT AND POWER ASSOCIATION

By Genap W. Schischer
Its General Manager
By _____
Its _____

Dean Blue
Consumer

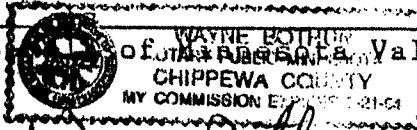
WITNESS:

Secretary

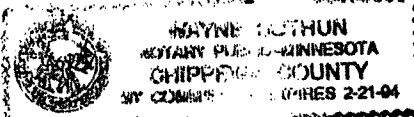
By Dean Blue for Firefly Creek Casino
Its _____
By _____
Its _____

STATE OF MINNESOTA)
COUNTY OF CHIPPEWA)

The foregoing instrument was acknowledged before me this _____ day of _____, 19____, by _____ as _____ on behalf of _____ Cooperative Light and Power Association.



Notary Public
Chippewa County, Minnesota
My Commission expires _____



to December
lights
400w.
each
month

W.O. 19001

Account No. N2-14-3L (Sec. Lights)
Agreement Expires Dec. 3, 1995

AGREEMENT FOR PURCHASE OF POWER

AGREEMENT made December 3, 1990, between Minnesota
lley Cooperative Light and Power Association, hereinafter called the
operative" and

Firefly Creek Casino
by Dean Blue

reinafter called the "Consumer", a corporation, partnership, individual
trike inapplicable designation.)

WITNESSETH:

The Cooperative agrees to sell and deliver to the Consumer, and the
nsumer agrees to purchase and receive from the Cooperative all of the
ectric power and energy which the consumer may need at

N2-14-3L SW 1/4 Sec. 14 115-39, Yellow Medicine Cty.

to 10 KVA, upon the following terms:

Construction Cost

\$55.20 per month

1. SERVICE CHARACTERISTICS

Service hereunder shall be alternating current, single phase,
xty Hertz 120/240 volts.

2. PAYMENT

a. The Consumer shall pay the Cooperative for service hereunder
the rates and upon the terms and conditions as set forth in the
plicable rate schedules established by the Cooperative. The minimum
arge per month shall be as specified in the applicable rate schedule.

b. The Consumer agrees that if, at any time, the rate under which
e Cooperative purchases electric energy at wholesale is modified, the
operative may make a corresponding modification in the rate for service
reunder.

3. CONTINUITY OF SERVICE

The Cooperative shall use reasonable diligence to provide a
nstant and uninterrupted supply of electric power and energy; but if such
pply shall fail or be interrupted, or become defective through act of
d, or the public enemy, or by accident, strikes, labor troubles, or by
tion of the elements, or inability to secure rights-of-way, or other
rmits needed, or for any other cause beyond the reasonable control of the
operative, the Cooperative shall not be liable therefor.

4. MEMBERSHIP

The consumer shall become a member of the Cooperative and be bound
the provisions of the Articles of Incorporation and By Laws of the
operative and by such rules, regulations, and policies as may from time
time be adopted by the Cooperative.

5. TERM

This agreement shall become effective on the date service is first available hereunder by the Cooperative to the Consumer, and shall remain in effect for a period of five Years and thereafter until terminated by either party giving to the other three Months notice in writing.

6. SUCCESSION

This agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, assigns and successors in interest and shall be appurtenant to and until the 3rd day of December, 1995, shall be binding upon all subsequent owners of that certain tract of land in the County of Yellow Medicine and State of Minnesota described as follows: SW 1/4 Section 14 115-39

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized representatives all as of the day and year first above written.

TEST:

MINNESOTA VALLEY COOPERATIVE
LIGHT AND POWER ASSOCIATION

By Joseph H. Scherke
Its General Manager

Secretary

Consumer


TTEST:

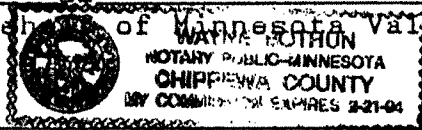
By Dean Blue for Firefly Creek Casino
 Its li
 By _____
 Its _____

secretary

TATE OF MINNESOTA)) ss
COUNTY OF CHIPPEWA)

The foregoing instrument was acknowledged before me this _____ day
f _____, 19_____, by _____ as _____ day
_____ as _____ on behalf of Minnesota Valley
cooperative Light and Power Association.

 WATNE NOTHON
NOTARY PUBLIC MINNESOTA



Notary Public
Chippewa County, Minnesota
My Commission expires:

y Commission expires:
Wayne Bather

EXHIBIT D

ATTORNEYS AT LAW

Janice M. Nelson
Matthew Haugen
Chris Reisdorfer
Elizabeth Bloom

John P. Nelson, 1917-1997
Sigvald B. Oyen, 1916-2003
Stephen Torvik, 1942-2018
David M. Gilbertson, retired



November 15, 2024

Kevin Jensvold, Tribal Chairman
Upper Sioux Community Pezihutazizi Oyate
5722 Travers Lane
P.O. Box 147
Granite Falls, MN 56241

SENT VIA U.S. MAIL AND BY EMAIL
TO kevinj@uppersiouxcommunity-nsn.gov

Re: Cogeneration and Solar Power Production

Dear Mr. Jensvold,

My name is Matthew Haugen and I represent Minnesota Valley Cooperative Light and Power Association ("MN Valley") located at 501 S. 1st Street, P.O. Box 248, Montevideo, Minnesota 56265. As you know, MN Valley supplies electric light and power (power) through three phase services to multiple entities at the Upper Sioux including Prairie's Edge Casino Resort (collectively referred to as "Upper Sioux").

MN Valley is a non-profit electrical cooperative organized under the Laws of the State of Minnesota. Pursuant to Minn. Stat. § 308A.301, MN Valley is governed by a board of directors elected by its members, and under Minn. Stat. § 308A.305, MN Valley has Seven (7) board members. Consistent with Minn. Stat. § 308A.311, the board members of MN Valley are elected at its annual meeting pursuant to MN Valley's Articles of Organization and Bylaws. MN Valley Board has hired Patrick Carruth as its General Manager. MN Valley has a defined service territory in which it has the exclusive right under Minnesota and Federal Law to provide electric power to individuals and entities located within that defined service territory. Upper Sioux including Prairie's Edge Casino Resort is located entirely in MN Valley's defined service territory.

MN Valley is not regulated by the Public Utility Commission (PUC) and sets its own rates and cost of service through its Board of Directors. The MN Valley Board sets board policies regarding the interconnection of consumer owned distributed generation of electric power. These board policies are intended to provide guidelines for the interconnection with and purchase of electricity from small power generation and alternate energy Qualifying Facilities. These policies are established to provide the application procedure and qualification criteria for Cooperative Members for the delivery, interconnection, metering, energy credit and purchase of electricity from inverter connect QF rate less than 40-kilowatt alternating current (AC) at

REPLY TO MONTEVIDEO

221 North First Street • Montevideo, MN 56265 • 320-269-6461 • Fax: 320-269-8024
E-mail • lawyers@nelsonoyentorvik.com

the point of common coupling. Further, these policies help provide safeguards from electric shock and other hazards that protect the generating system owner, the general public and the Cooperative's line personnel.

MN Valley's primary power supplier is Basin Electric Power Cooperative ("Basin Electric") in Bismarck, ND. MN Valley entered into an All-Requirements Contract that requires MN Valley to purchase all of its electric power needs from Basin Electric until the year 2075. The All-Requirements Contract requires Basin Electric to supply electric power to MN Valley until the year 2075. Because of the All-Requirements Contract, MN Valley is not allowed to purchase power, except from a facility having less than 40-kilowatt capacity, from any individual and/or entity other than Basin Electric until the year 2075.

Minn. Stat. § 216B.164 regulates cogeneration and small power production for cooperative electric associations, municipal utilities and public utilities. Under Minnesota Law, MN Valley is a cooperative electric association, not a municipal utility or a public utility. Under Minn. Stat. § 216B.164, cooperative electric associations, municipal utilities and public utilities are treated differently. Pursuant to Minn. Stat. § 216B.164, subd. 3, a cooperative electric association, such as MN Valley, is not required to allow any member (or entity or individual) located in its service territory to build and operate a power generating solar array (facility) of 40-kilowatt capacity or more. Minn. Stat. § 216B.164, subd. 3 provides that any member (or entity or individual) located in MN Valley's service territory can build a "facility" of less than 40-kilowatt capacity, and if it does so the "customer" (member) shall be billed for the net energy supplied by the utility according to the applicable rate schedule for sales to that class of customer. It further provides that "a cooperative electric association or municipal utility may charge an additional fee to recover the fixed costs not already paid for by the customer through the customer's existing billing arrangement." MN Valley adheres to this law and MN Valley's Board Policies are consistent with it.

It is my understanding that a representative(s) of Upper Sioux has had conversations with a representative of MN Valley in the past regarding MN Valley's board policies and Upper Sioux's options related to the potential construction and operation of power generating solar array in MN Valley's service territory. During those conversations, MN Valley's board policies and position regarding construction and operation of power generating solar array in MN Valley's service territory were explained consistent with as they are explained herein. MN Valley, through its representative, explained the process if Upper Sioux wanted to move forward with a facility of less than 40-kilowatt capacity and the next steps that needed to be completed to proceed. As explained, these next steps that needed to be taken by Upper Sioux would include, but are not limited to, providing MN Valley with a completed and signed Distributed Generation Interconnection Application accompanied by the proper application fees, an interconnection plan for operation, and entering into a written contract with MN Valley. MN Valley, through its representative made clear that no facility of 40-kilowatt capacity or more could be built and/or operated in MN Valley's service territory.

After Upper Sioux was advised of the next steps if it wished to proceed with a facility of less than 40-kilowatt capacity, MN Valley did receive a Pre-Application Report Request from Wolf River Electric dated July 15, 2024 and a Distributed Generation Interconnection Application dated August 26, 2024, copies of which are enclosed herein. In response to the Pre-Application Report Request and Distributed Generation Interconnection Application, a representative of MN Valley explained to a representative of Wolf River Electric (as Application Agent for Upper Sioux), that the proposed facility was more than the 40-kilowatt capacity allowed under Minnesota and Federal Law, and MN Valley's board policies. A representative of MN Valley explained that it may be possible to work with MN Valley's power supplier, Basin Electric, to see if they would be willing to purchase the power from Upper Sioux, but that the power produced by any solar facility in excess of 40-kilowatts could not be used by Upper Sioux and could not be generated and sold to any other entity in MN Valley's service territory. It was explained to Wolf River Electric that if Upper Sioux wished to explore an option with Basin Electric and the costs associated with doing so that would need to be paid by Upper Sioux (to MN Valley), and to determine if there was even a viable option, that an interconnection study would need to be completed by Power Systems Engineering, Inc. (PSE). MN Valley's engineer is PSE and is located in Arden Hills, MN. A representative of MN Valley explained the cost of the study would need to be borne by Upper Sioux and the process that it would take. A representative of MN Valley explained that until the study is completed by PSE, the next steps including (but not limited to) completing the interconnection plan for operation and entering into a written contract with MN Valley could not be completed. An Interconnection Study Process Offer was provided by MN Valley to Upper Sioux, and was signed by Wolf River Electric which provided for a payment of \$11,000.00 for the interconnection study to be completed by PSE and other terms. A copy of the signed Interconnection Study Process Offer is enclosed herein. Payment of \$11,000.00 to PSE has been received. The interconnection study from PSE is not yet completed.

This week, through visual observation, it was determined that Upper Sioux may be preparing or in the process of building a power generating solar array in MN Valley's service territory. Upon making this determination, a representative of MN Valley called Upper Sioux to again inform Upper Sioux that MN Valley had not received a majority of the required information to move forward with a power generating solar array and had not received the required completed interconnection plan for operation and had not entered into a written contract with MN Valley.

This letter serves as written notice that any construction and/or operation of a power generating solar array by Upper Sioux (or others under its direction) shall cease immediately until Upper Sioux has completed all the required steps required by MN Valley to do so as outlined in MN Valley's Board Policy No. 323, a copy of which is enclosed herein. If construction and/or operation of what appears to be a power generating solar array in MN Valley's service territory continues without following the proper steps, Upper Sioux risks being disconnected from electric power service from MN Valley for violating Minnesota and Federal Law, and MN Valley Board Policies. MN Valley fully intends to adhere to Minnesota and Federal Law, and its Board Policies,

and Upper Sioux risks having its power service from MN Valley disconnected if the power generating solar array attempts to provide electric power to Upper Sioux of 40-kilowatt or more capacity, and/or without following the requirements and taking the required actions required by Minnesota and Federal Law, and MN Valley's Board Policies for a facility of less than 40-kilowatt capacity.

PSE is currently completing the interconnection study and expects it to be completed in the next few weeks. Upon receipt of the interconnection study from PSE, MN Valley will provide a copy of the interconnection study to Upper Sioux and Wolf River Energy. At that time conversations can be had about what type of solar facility, if any, could be undertaken by Upper Sioux that conforms with Minnesota and Federal Law, and MN Board Policies.

Upper Sioux receives a Native American Bill Credit through Basin Electric. This bill credit is applied each year to Upper Sioux's invoice for electric power from MN Valley. The amount of the credit varies each year and in 2024 totaled \$31,937.37. Upper Sioux risks losing the Native American Bill Credit if they were to have electric power costs that are less than the Native American Bill Credit (because of their own power generation) or if they are disconnected from service by MN Valley for failure to follow Minnesota and Federal Law, and MN Valley's Board Policies.

MN Valley treats all of its members equally and does not discriminate against or for any individual member. MN Valley would be giving Upper Sioux preferential treatment if it allowed Upper Sioux to build and operate a power generating solar array of 40-kilowatt or more capacity in MN Valley's service territory (or to receive power in MN Valley's service territory from an entity other than MN Valley). MN Valley would also be violating its all-requirements contract with Basin Electric if it allowed Upper Sioux to build and operate a power generating solar array of 40-kilowatt or more capacity in MN Valley's service territory (or to receive power in MN Valley's service territory from an entity other than MN Valley). Many members of MN Valley in the past have requested to build a power generating solar array of 40-kilowatt or more capacity in Minnesota Valley's service territory and were denied because it is inconsistent with Minnesota Law and MN Valley's Board Policy. This is both fair and consistent with MN Valley's Board Policy.

Please be advised that pursuant to Minn. Stat. § 216B.164, subd. 11(b), if a dispute between a cooperative electric association and one of or more of its members, either party may request mediation of the dispute only after all attempts to settle the dispute under the cooperative electric association dispute resolution process have been exhausted. MN Valley wants to work with Upper Sioux to see if a solar facility can be installed in a manner that conforms to Upper Sioux's desires but also complies with Minnesota and Federal Law, and MN Valley's Board policies. However, if we cannot reach an agreement, and a dispute remains, Upper Sioux would be able to request mediation as stated in Minn. Stat. § 216B.164, subd. 11(b).

If you have any questions or would like additional information, please contact me.

Kevin Jensvold
Upper Sioux Community Pezihutazizi Oyate
November 15, 2024
Page 5

Thank you,

NELSON OYEN TORVIK P.L.L.P.



Matthew Haugen

Enclosure

cc: Patrick Carruth, General Manager of MN Valley by U.S. Mail
Caralyn Trutna, Vice Chairman at Upper Sioux by email at carrie@uppersiouxcommunity-nsn.gov
Camille Tanhoff, Tribal Treasurer at Upper Sioux by email at kamip@uppersiouxcommunity-nsn.gov
Adam Savariego, Tribal Secretary at Upper Sioux by email at adams@uppersiouxcommunity-nsn.gov
Jeremy Hamilton, Member at Large at Upper Sioux by email at jhamilton@uppersiouxcommunity-nsn.gov

EXHIBIT E

RASMUSSEN LAW

A Business, Tribal and Estate Planning Law Firm

ATTORNEY AT LAW

E-Mail: Leif.Rasmussen@LeifRasmussenLaw.com
Telephone (952) 345-8265

Office Address:

7900 Xerxes Avenue South
Suite 700
Bloomington, MN 55431

November 15, 2024

Mailing Address:

P.O. Box 385046
Minneapolis, MN 55438

VIA ELECTRONIC MAIL & U.S. MAIL

Mr. Matthew Haugen
Nelson Oyen Torvik
221 North 1st Street
Montevideo, MN 56265

Re: *Upper Sioux Community/Minn. Valley Cooperative*

Dear Mr. Haugen:

I am the attorney for the Upper Sioux Community (the "Tribe" or the "Community"). I have been provided a copy of your November 15, 2024 letter to Chairman Kevin Jensvold in connection with the above-referenced matter and have been asked to respond on the Tribe's behalf.

As you are aware, the Upper Sioux Community is a federally recognized Indian nation located on trust land near Granite Falls, Minnesota. In your letter, you reference the laws of the State of Minnesota. As a sovereign Indian nation, the civil/regulatory laws of a separate sovereign, like the State of Minnesota, do not apply within the exterior boundaries of the Upper Sioux Community.

The Community is in the process of building a power generating solar array (the "Solar Array") within its exterior boundaries. The Solar Array is intended to reduce the Tribe's energy costs and to further the Tribe's commitment to clean energy. It is not the intent of the Tribe to sell power generated by the Solar Array to Minnesota Valley Cooperative Light and Power Association ("MN Valley"). Rather, its purpose is to offset some of the Tribe's energy demands. You state in your letter that "many members of MN Valley in the past have requested to build a power generating solar array of 40-kilowatt or more capacity in Minnesota Valley's service territory and were denied because it is inconsistent with Minnesota Law and MN Valley's Board Policy." Given the Tribe's status as a sovereign nation, it is unfair to compare the Community with individual or commercial members of MN Valley. The Board of Trustees, the governing body of the Community, in exercise of its sovereignty must do what is in the best interest of the Tribe and its members. By constructing the Solar Array, the Board of Trustees seeks to enhance its financial security by reducing energy costs. The Solar Array is not intended, nor will it negatively impact MN Valley's infrastructure. In contrast

11/15/2024

Page 2

to those MN Valley individual or business members who may have been denied the right to build a power generating solar array, the Tribe is not going to sell any generated electricity to MN Valley and as a result the Solar Array will not breach MN Valley's all-requirement contract with Basin Electric Power Cooperative. In summary, Minnesota law does not apply and even if it did, the Tribe's Solar Array is not inconsistent with Minnesota law. Further, MN Valley's policies should reflect the uniqueness of having a federally recognized tribe within its service territory and those policies should not be used to deny the Tribe's absolute right to self-government and self-determination.

Notwithstanding the foregoing, the Tribe would like to establish a good relationship with MN Valley and would like to work out a resolution to this dispute. To that end, the Board of Trustees requests a meeting with authorized representatives of MN Valley and Wolf River Energy to take place at the Board of Trustees conference room at 1:00 p.m. on Thursday, November 21, 2024. Wolf River Energy has agreed to participate in the meeting at that date and time

Thank you for your attention to this matter. Please contact me with any questions or concerns.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Leif E. Rasmussen', with a long, sweeping horizontal line extending to the right.

Leif E. Rasmussen
Attorney for the Upper Sioux Community

Cc: Board of Trustees – Upper Sioux Community
Zac Feges – Wolf River Energy

EXHIBIT F

RASMUSSEN LAW

A Business, Tribal and Estate Planning Law Firm

ATTORNEY AT LAW

E-Mail: Leif.Rasmussen@LeifRasmussenLaw.com
Telephone (952) 345-8265

Office Address:
7900 Xerxes Avenue South
Suite 700
Bloomington, MN 55431

Mailing Address:
P.O. Box 385046
Minneapolis, MN 55438

November 26, 2024

VIA ELECTRONIC MAIL

Mr. Matthew Haugen
Nelson Oyen Torvik
221 North 1st Street
Montevideo, MN 56265

Re: Upper Sioux Community/Minnesota Valley Cooperative

Dear Mr. Haugen:

The Upper Sioux Community (the “Tribe”) is disappointed that Minnesota Valley Cooperative (“Minn Valley”) is unwilling to meet to discuss the solar array being constructed by the Tribe. The purpose of the proposed meeting was to clear up any misunderstandings that Minn Valley has regarding the project. One misunderstanding that has hopefully been made clear to your client is that the Tribe does not intend to sell power to Minn Valley. The second misunderstanding is addressed in the attached letter from Wolf River Electric. As stated in Wolf River Electric’s letter, the solar array will not be interconnected with Minn Valley. The solar energy system will operate like the casino’s existing onsite backup diesel generators as an off-grid solar system. The solar energy system is not a cogeneration facility as defined by federal and state law. A meeting with Minn Valley would have gone a long way to resolving these misunderstandings.

With the foregoing as background, please be advised that the Tribe intends to complete the project and to use the electricity generated from the solar array to power its casino and hotel. Any unlawful termination of power to the Tribe by Minn Valley will endanger the safety of customers and employees of the Tribe’s economic enterprises and cause undue disruption and financial losses to the Tribe. Should Minn Valley elect to take such drastic action, the Tribe reserves its right to seek declaratory and injunctive relief in tribal, federal or state court. Further, please be advised that the Tribe shall pursue all direct and consequential damages, including lost profit damages incurred by Prairie’s Edge Casino Resort and reimbursement of its attorney’s fees, resulting from such an unlawful act. In the meantime, if the information provided in this letter does not resolve the dispute between the Tribe and Minn Valley, the Tribe requests mediation of this dispute in accordance with Subdivision 11(b) of Minn. Stat. Section

Page 2

Letter to Minnesota Valley Cooperative

216B.164.¹ As stated in the referenced subdivision, Minn Valley shall pay 90% of the cost of the mediation and the Tribe shall pay 10% of the cost of the mediation.

Thank you for your attention to this matter.

Very truly yours

/s/ Leif E. Rasmussen

Leif E. Rasmussen

Enc.

Cc: Upper Sioux Community Board of Trustees

¹ This request for mediation is not to be construed as a waiver of the Tribe's sovereign immunity nor should it be construed as the Tribe's acceptance of Minnesota law within the exterior boundaries of the Tribe's reservation.

ATTORNEYS AT LAW

Janice M. Nelson
Matthew Haugen
Chris Reisdorfer
Elizabeth Bloom

John P. Nelson, 1917-1997
Sigvald B. Oyen, 1916-2003
Stephen Torvik, 1942-2018
David M. Gilbertson, retired



December 5, 2024

Mr. Leif Rasmussen
Rasmussen Law
P.O. Box 385046
Minneapolis, MN 55438

SENT VIA U.S. MAIL AND BY EMAIL
TO: leif.rasmussen@leifasmussenlaw.com

Re: Upper Sioux Community/Minnesota Valley Cooperative Light and Power Association

Dear Mr. Rasmussen,

As we discussed in prior e-mails, I represent Minnesota Valley Cooperative Light and Power Association ("MN Valley") located at 501 S. 1st Street, P.O. Box 248, Montevideo, Minnesota 56265. As you know, MN Valley supplies electric light and power (power) through three phase services to multiple entities at the Upper Sioux including Prairie's Edge Casino Resort (collectively referred to as "Upper Sioux").

You previously responded by letter dated November 15, 2024, to my letter dated November 15, 2024, that I sent the Upper Sioux regarding what appears to be a power generating solar array being constructed by Upper Sioux in MN Valley's service territory. Further in my letter, among many other things, I explained that MN Valley is not regulated by the Public Utility Commission (PUC) and that MN Valley sets its own rates and cost of service through its Board of Directors. I explained that the MN Valley Board of Directors sets board policies regarding the interconnection of consumer owned distributed generation of electric power and the reasons why those board policies are in place. A copy of relevant board policies was enclosed with my letter dated November 15, 2024.

Subsequently, I received your letter dated November 26, 2024, and have forwarded it along to MN Valley. In your letter you request mediation in accordance with Subdivision 11(b) of Minn. Stat. Section 216B.164, and note that pursuant to that statute, MN Valley shall pay 90% of the cost of mediation and Upper Sioux pay 10% of the cost of mediation. MN Valley agrees to submit to mediation and agrees to pay 90% of the costs of mediation as provided by Minnesota Statutes.

REPLY TO MONTEVIDEO

221 North First Street • Montevideo, MN 56265 • 320-269-6461 • Fax: 320-269-8024
E-mail • lawyers@nelsonoyentorvik.com

According to that Subdivision 11(b) of Minn. Stat. Section 216B.164, [t]he parties must mutually agree upon the selection of a mediator, who must be listed on the roster of neutrals for civil matters established by the state court administrator under Rule 114.12 of Minnesota's General Rules of Practice for the District Courts. I did a search of the roster of neutrals and there appears to be hundreds of mediators to choose from. Being your client requested mediation, would you please propose ten (10) neutrals that Upper Sioux would be agreeable to using and then I will have MN Valley choose from the ten (10) neutrals they propose.

In your letter dated November 26, 2024, you indicate that the "solar array will not be interconnected with Minn Valley" and the "solar energy system will operate like the casino's existing onsite backup diesel generators as an off-grid solar system." I find it necessary to point out, based on your representations of how the power generating solar array is proposed to be used by Upper Sioux, that these two statements are false. The first statement that the solar array will not be interconnected with MN Valley is false because as proposed by Upper Sioux the power generating solar array and MN Valley will both be providing power to Upper Sioux (and its affiliates) at the same time. This means that the two systems as proposed would be "interconnected". The second statement that the power generating solar array will act like Upper Sioux "backup diesel generators" is false because the power generating solar array will not act as a backup. As proposed by Upper Sioux, the power generating solar array will supplement the power supplied by MN Valley in excess of the 40-kilowatt capacity that is allowed pursuant to MN Valley Board Policies. The Upper Sioux backup generators, are just as you indicate, a "backup" if electric service is interrupted to Upper Sioux for any reason. The "backup diesel generators" do not supply power to Upper Sioux at the same time that MN Valley electric service is supplying power to Upper Sioux. Therefore, the power generating solar array is not the same as Upper Sioux's existing onsite backup diesel generators.

In your letter dated November 15, 2024, you claim that Upper Sioux is a sovereign nation and therefore the laws of a separate sovereign, like the State of Minnesota, do not apply to Upper Sioux. MN Valley disagrees that the laws of the State of Minnesota do not apply throughout MN Valley's entire service territory.

When MN Valley first started providing electric power service to Upper Sioux (through Firefly Creek Casino), Firefly Creek Casino entered into two (2) separate Agreements for Purchase of Power, both of which were dated December 3, 1990. I have enclosed copies of both Agreements with this letter. In both Agreements, all parties agreed that Firefly Creek Casino "shall become a member of the

Cooperative and be bound by the provisions of the Articles of Incorporation and By Laws of the Cooperative and by such rules, regulations, and policies as may from time to time be adopted by the Cooperative.” My understanding is that Firefly Creek Casino later changed its name to Prairie’s Edge Casino Resort, but both were/are owned by Upper Sioux.

The Upper Sioux Community and MN Valley also entered into an Aid to Construction Agreement dated August 30, 1990. A copy of the Aid to Construction Agreement is enclosed herein with this letter. In the Aid to Construction Agreement, at numbered Paragraph 6, it provides “Upper Sioux agrees that it will be a member of Minnesota Valley as part of its receipt of electric service, that its membership is subject to Minnesota Valley’s Articles of Incorporation, By-laws, and policies that Upper Sioux will observe all electric and other laws and regulations that generally govern Minnesota Valley’s provision of electric service to its members.” It further provides at numbered Paragraph 7 that “Upper Sioux as a Native American organization specifically waives any such immunity, privilege, defense of lack of jurisdiction or similar defense” and agreed that all parties were “subject to the jurisdiction of the District Court of Yellow Medicine and Chippewa County of the State of Minnesota.”

Even if MN Valley agreed with Upper Sioux’s position that the Laws of Minnesota do not apply to it (which MN Valley disagrees with), by entering into the Agreements for Purchase of Power and Aid to Construction Agreement, Upper Sioux (though itself and through Firefly Creek Casino) agreed to be bound by MN Valley’s Articles of Incorporation, Bylaws, Rules, Regulations and Policies. As I noted in my prior letter, and herein again, MN Valley’s position regarding Upper Sioux intended power generating solar array is based on Minnesota Law, Federal Law, and the MN Valley Board Policies. Further, if there is any lawsuit and/or action brought by either party it has to be venued in a Minnesota State District Court either in Chippewa County and/or Yellow Medicine County.

If Upper Sioux moves forward with the power generating solar array and attempts to cogenerate at a 40-kilowatt or greater capacity, and/or without first complying with the steps required to cogenerate as provided in MN Valley board policies, MN Valley intends to immediately disconnect its power service to Upper Sioux (and its affiliates – i.e. Casino) without notice. If Upper Sioux does cogenerate as it indicated it will and MN Valley disconnects electric service as a result, MN Valley will not return electric service to Upper Sioux (or its affiliates) until MN Valley is able to confirm that cogeneration by the power generating solar array has ceased, and that MN Valley has received reasonable assurances (as determined by MN Valley) that no cogeneration will continue in future

Mr. Leif Rasmussen
Rasmussen Law
December 5, 2024
Page 4

and that the power generating solar array has been disconnected from the Upper Sioux electric service.

MN Valley wants to work with Upper Sioux as it has done so since 1990. MN Valley appreciates Upper Sioux as a member of MN Valley and wants that prosperous relationship to continue into the future. However, MN Valley has a duty to treat all of its members equally and not discriminate against or for any individual member. MN Valley would be giving Upper Sioux preferential treatment if it allowed Upper Sioux to build and operate a power generating solar array of 40-kilowatt or more capacity in MN Valley's service territory (or to receive power in MN Valley's service territory from an entity other than MN Valley). MN Valley would also be violating its all-requirements contract with Basin Electric if it allowed Upper Sioux to build and operate a power generating solar array of 40-kilowatt or more capacity in MN Valley's service territory (or to receive power in MN Valley's service territory from an entity other than MN Valley). Therefore, MN Valley fully intends to follow its Articles of Incorporation, Bylaws, Board Policies, Minnesota Law and Federal Law. Any action taken by Upper Sioux in violation of those, could result in MN Valley taking action as provided herein or otherwise.

If you have any questions or would like additional information, please contact me.
Thank you,

NELSON OYEN TORVIK P.L.L.P.



Matthew Haugen

Enclosure

cc: Patrick Carruth, General Manager of MN Valley by U.S. Mail

EXHIBIT G



November 25, 2024
Sent via Email

Leif Rasmussen
Rasmussen Law
7900 Xerxes Ave S, Suite 700
Bloomington, MN 55431
Leif.Rasmussen@LeifRasmussenLaw.com

RE: Upper Sioux Community Solar Project

Mr. Rasmussen,

Thank you for your recent inquiry regarding the solar energy system designed for your client's property located at Prairie's Edge Casino Resort, 5616 Prairie's Edge Lane, Granite Falls, MN 56241 (hereinafter the "facility").

The solar energy system in question is a "behind the meter" system and is designed and engineered to supplement electricity to the facility, without wheeling or bi-directional transport of electricity to the grid. The system will be tied in after the load side of the overcurrent on the customer owned portion of the switch gear; this means the energy produced by the solar system is designed to not touch the utility owed portion of the electrical system. Additionally, the solar energy system is curtailed with protections in place so that it does not send electricity to the utility, Minnesota Valley Cooperative Light and Power Association (hereinafter "the utility provider").

The solar energy system is a non-export system with some storage capacity. It operates similar to the facility's existing onsite backup diesel generators, or an off-grid solar system. The facility will continue to draw energy from the grid as it has always done. The solar energy system is not designed to replace the utility provider, but rather reduce the amount of electricity required from the grid.

Further, the solar energy system is not a cogeneration facility under 18 C.F.R. § 292.202 or Minn. Stat. § 216B.164.

NICHOLAS JAMES KASPROWICZ

General Counsel | Attorney at Law

Email: Nick@WolfRiverElectric.com | Phone: (763)229-6662

101 Isanti Parkway Northeast Suite G | Isanti, MN 55040 | Wolf River Electric

The facility is not designed to sell electricity to the utility provider, a nongenerating utility, or its supplier of electricity, as provided for under Minn. Stat. § 216B.164(2)(e). This is because the facility is not enabled or designed to have bi-directional capabilities.

Respectfully,

Nicholas J. Kasproowicz
Nicholas J. Kasproowicz

EXHIBIT H

MINNESOTA VALLEY COOPERATIVE
LIGHT AND POWER ASSOCIATION
Montevideo, Minnesota

Policy No. 323

INTERCONNECTION OF CONSUMER OWNED DISTRIBUTED GENERATION

I. Objective

- A. To provide guidelines for interconnection with and purchase of electricity from small power generation and alternate energy Qualifying Facilities (QF).
- B. To provide an interconnection to a QF that is eligible for Distributed Generation (DG), and will comply with all applicable laws and rules governing distributed generation.
- C. To establish the application procedure and qualification criteria for Cooperative Members for the delivery, interconnection, metering, energy credit and purchase of electricity from inverter connected QF rated less than 40 KW alternating current (AC) at the point of common coupling. The 40 KW AC shall be the direct current (DC) nominal power output of the interconnected generation equipment minus the calculated losses of all associated conversion equipment.
- D. To provide positive safeguards from electric shock and other hazards that protect the generating system owner, the general public and the Cooperative's line personnel. These safeguards must be provided by using stringent safety rules and practices.

II. Policy

- A. The following conditions and requirements are to be fulfilled before a member - consumer owned electric DG system can be interconnected to the Cooperative's electrical distribution system:
 - 1. Any member-consumer who wants to install a DG system on their premises and to interconnect it with the Cooperative's distribution system must submit a completed and signed Distributed Generation Interconnection Application accompanied by the proper application fees.
 - 2. An interconnection plan for operation of member-consumer (member) owned distributed generation must be submitted that includes detailed diagrams of the generator and related equipment. These diagrams must show all related wiring and safety features of the generating systems.

3. The member shall enter into a written contract with the Cooperative that is a form substantially similar to the Minnesota Rules 7835.9910. This contract was approved by the Minnesota Valley Cooperative Board of Directors.
4. At the Cooperative's request, the member shall meet with an individual designated by the Cooperative for the purpose of discussing the proposed QF to insure proper sizing and safety guidelines are met.
5. The Cooperative and the QF owner must comply with all applicable provisions of the National Electrical Code, IEEE 1547 and the National Electrical Safety Code.
6. The QF, including interconnection equipment, shall meet the requirements of and be inspected and approved by the State Electrical Inspector and any other public authority having jurisdiction before any interconnection is made to the electric system of the member of the Cooperative.
7. Any member installing a wind driven generator should make every effort to locate it more than falling distance from any of the Cooperative's above ground facilities. If the tower must be located close enough to the Cooperative facilities to create a hazard to them, the Cooperative will rearrange its facilities to mitigate the problem. The cost of such rearrangements made to accommodate the consumer's installation shall be reimbursed by the member.
8. If the output rating of the consumer's DG unit requires any equipment larger than what is needed to service the consumer's existing load, the Cooperative will install such equipment of sufficient size to receive the full output of the generator. In such case the consumer will be responsible for paying the established prevailing charges for the new larger equipment.

B. All members eligible to be interconnected to the Cooperative's electrical distribution system must meet the following terms and conditions:

1. To protect appliances and equipment on the premises of the generating system and other consumers, the power generated by the QF must be maintained so that voltages and frequencies are compatible with normal utility service. The QF shall not cause that service to fall outside the prescribed standard limits.
2. If the DG system interferes with the operation of Cooperative equipment or interferes with other member's services, the Cooperative reserves the right to disconnect.
3. The member shall endeavor to operate his combined generating system and electrical load as near unity power factor as possible. The Cooperative reserves the right to require the member to install power factor correction equipment or to reimburse the Cooperative for its cost of installing equipment for the purpose of correcting the consumer's power factor.
4. To protect the generating system, and to protect all parties from electric shock, the DG system owner shall supply and install an automatic circuit breaker which will positively disconnect his generating equipment from the system in the event of a disturbance or supply outage on the Cooperative's system. The

Cooperative shall be allowed access to this device at all times to permit periodic safety tests.

5. The QF owner shall furnish and install a disconnecting switch to be connected between the Cooperative's electric system and the generating system. This switch must provide a visual opening in the line and shall be located and equipped so that Cooperative personnel can operate and lock the switch in case of an outage or for work on the distribution system.
 6. The member shall furnish and install all additional wiring and equipment needed to connect the QF system metering at the existing service location.
 7. The Cooperative will furnish and maintain a net metering system which includes a generation unit output meter, at the QF's expense. One meter will measure flow from the Cooperative to the member-consumer for consumption in the home or other premises. The second meter will measure flow from the generating system to the Cooperative and a third meter will measure flow generated by the consumer's on-site equipment.
 8. The QF total generator output shall be less than 40 KW and the facility shall operate at a measured 15 minute demand interval capacity of less than 40 KW at all times.
 9. In the event that the QF fails to meet the requirements of this policy for a total generator output rating of less than 40 KW, then the Cooperative will have the right to (1) cancel the contract with the owner of the QF indefinitely, or (2) require the owner of the QF and the Cooperative's wholesale energy supplier enter into a new contract that, among other changes, adjust the QF's rated capacity and specifies Avoided Cost pricing for the QF's output.
 10. Each member is allowed to have a cumulative total of less than 40 KW for all services aggregated to that member and the transferring of KWh credits between aggregated accounts shall not be allowed.
 11. A QF that is interconnected to the Cooperative will be compensated for the net input into the utility systems one of the following manners:
 - a. Average retail cooperative energy rate
 - b. Simultaneous purchase and sale billing rate
 - c. Roll over credits
 12. A QF also on any of the Cooperative's heat rates will be credited on a percentage basis consistent with the formula set forth in the Cooperative's Policy No. 314 – Co-Generation/Heat Rates.
 13. The Cooperative shall own and have full rights to all renewable energy attributes relative to the crediting of this energy.
 14. The QF's DG system shall be installed where the purpose of the generator is to offset the existing energy use at the established electric service account and not in situations where the purpose is to sell the output to the Cooperative.
- C. Qualifying Facilities interconnected before July 1, 2015 will have their existing contracts honored as long as all conditions are met as follows:
1. The QF will be paid Average Retail Rate (ARR) for kilowatt-hours sold to the Cooperative if the existing contract with the Cooperative is in effect, the

- capacity of the QF is less than 40 KW capacity and the facility is operated at a measured 15 minute demand interval capacity of less than 40 KW at all times.
2. The existing equipment that is specified on the original contract is still in operation at the QF.
 3. If the QF is not operated with the original equipment or is not operating at a capacity of less than 40 KW of actual output, the original contract will become null and void.
 4. Any QF interconnected before July 1, 2015 and remaining on the ARR will be allowed to stay on this rate no longer than the established useful life of 15 years for a wind installation and 20 years for a solar installation, at which time the QF shall enter into a new contract with the Cooperative. This useful life period will start from the date of the current signed co-generation contract.

Responsibility

The General Manager shall be delegated the responsibility of fulfilling the provisions of this policy. He shall be given authority to deviate from the policy to deal with unusual circumstances. He may make further delegations as necessary for fulfillment of this policy.

This policy supersedes and cancels all other existing policies and instructions which may conflict with the above provisions.

Date Adopted: August 27, 2015

Attest: /s/ _____
Timothy Velde

Date Revised: January 25, 2018

Attest:/s/ _____
Timothy Velde, Secretary

Date Revised: June 27, 2019

Attest:/s/ _____
Mark Peterson, Secretary