

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
August 23, 2022**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on August 23, 2022 commencing at 8:30 a.m. in the East River Electric boardroom.

The meeting was called to order by President Gary Fish who presided and Don DeGreef, Secretary, acted as Secretary.

Roll call showed the following members present:

Rodney DeMent	Dan Leuthold	Allan Weinacht
Ann Vostad	Dave Daniel	Gary Fish
Dr. Leslie Heinemann	Lucas Roskamp	Mark Rogen
Gregg Johnson	Don DeGreef	

Also present were Attorney Mike Nadolski, General Manager Tim McCarthy, Strategic Leadership Team members Debra Biever, Carrie Vugteveen, Ted Smith, Justin Moose, and Jason Maxwell along with Executive Assistant, Brenda Schelhaas.

REVIEW AND CONSIDERATION OF AGENDA

The agenda was presented for consideration. President Fish asked that agenda items 5) Board Policy Review and 16) Executive Session items General Manager/CEO Evaluation/Salary Adjustment and Board Self Evaluation be deferred to the September board meeting. He then asked that agenda item 10) Review and Consideration of Employee Compensation Plan be moved to agenda item 5 and Strategic Planning Review added as agenda item 4A. A motion to approve the amended agenda was made by Mr. DeGreef, seconded by Mr. Johnson. The motion carried.

REVIEW AND CONSIDERATION OF MEETING MINUTES

A motion to approve the minutes of the July 19, 2022 regular board meeting was made by Mr. Johnson, seconded by Mr. Weinacht. The motion carried.

STRATEGIC PLANNING REVIEW

Discussion was held and feedback was given regarding the strategic planning session that was held the day prior, August 22, 2022.

REVIEW AND CONSIDERATION OF EMPLOYEE COMPENSATION PLANS

Manager McCarthy called upon Debra Biever to present an overview of the Employee Compensation Plan including descriptions of compensation and benefits for union and non-union employees of the Cooperative. Debra reviewed the wage changes to the market rate of pay for non-union employees based on the Board approved compensation plan. She also discussed data aging and based on the target date, a company's data approach has No Aging, Lag Aging, Lead/Lag Aging, or Lead Aging the market. Debra provided an example of these scenarios. She then discussed the union contract. Mr. Rogen made a

motion to use the Lag Aging method for the Integrated Pay Plan for non-union employees. Discussion was held. The motion was seconded by Mr. Johnson and approved with Mr. Daniel and Dr. Heinemann voting against. The average market rate pay changes using the Lag Aging method and experience step changes will be effective November 1, 2022 for non-union employees whose performance meets expectations. Mr. Roskamp made a motion to approve a 1% increase in addition to the 3% contracted increase to be applied to the Collective Bargaining Agreement, seconded by Dr. Heinemann. The motion carried. The additional 1% increase will be effective November 1, 2022 for union employees.

COBANK 2022 DIRECTOR ELECTION

Information regarding director candidate Christopher C. Piotrowski and incumbent Kevin A. Still was included with the Board meeting materials. A motion was made by Mr. Daniel to authorize President Fish to cast a vote for Kevin A. Still, seconded by Mr. Leuthold. The motion carried.

FEDERATED RURAL ELECTRIC INSURANCE EXCHANGE 2022 DIRECTOR ELECTION

Manager McCarthy stated there are two candidates, Timothy O'Leary and Jamie Lewis, running for the two CoBank director positions. Mr. Rogen made a motion for Mr. Roskamp to cast SVE's votes for Timothy O'Leary and Jamie Lewis, seconded by Mr. DeGreef. The motion carried. Mr. Roskamp will cast the ballot at the Federated Regional Meeting on September 22, 2022.

REVIEW AND CONSIDERATION OF MAC MEETING DATE

President Fish presented two potential dates to hold a Member Advisory Council (MAC) meeting. Mr. Weinacht made a motion to approve September 15, 2022 as the next MAC meeting date, seconded by Mr. DeGreef. The motion carried.

RESIDENTIAL COINCIDENTAL PEAK DEMAND PILOT RATE

Manager McCarthy called upon Debra Biever to review information regarding the Residential Coincidental Peak Demand Pilot Rate. Debra noted that this will be a voluntary pilot program with a timeframe of six months and a goal of at least 50 members. Mr. Roskamp made a motion to approve the Residential Coincidental Peak Demand Pilot Rate, seconded by Mr. Johnson. The motion carried.

STRATEGIC PLANNING

Discussion was held regarding future Strategic Planning standing agenda items. Future agenda items include the rate impact to members based on a one-year and five-year outlook and systemwide load factor.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy reviewed wholesale power purchases, sales, and revenue. He noted an increase in the purchase of Renewable Energy Credits (RECs). New service requests through July are much higher than budgeted due to the increase in city residential and commercial requests.

East River Electric passed on a bill credit from Basin on the SVE power bill. The amount of the credit is \$346,973. East River also issued a Basin capital credit retirement to Sioux Valley Energy in the amount of \$431,792.

Manager McCarthy gave an overview of the July 2022 revenue and expense statement and the year-to-date June 2022 consolidated statement.

Manager McCarthy noted the number of near miss incidents that have been reported this year. He stated that many organizations have difficulty getting their employees to report near misses but that isn't an issue at Sioux Valley Energy.

ACCEPT MANAGER'S REPORT

A motion to accept the Manager's Report was made by Mr. Rogen, seconded by Mr. Daniel. The motion carried.

REPORTS ON POWER SUPPLY MEETINGS

East River – Mr. DeMent reported on his attendance of the East River board meeting.

L&O Power – Mr. Roskamp reported on his attendance of the L&O Power board meeting.

REPORTS ON MEETINGS ATTENDED

MREA District 5 Meeting – Director Johnson reported on his attendance of the MREA District 5 meeting.

SDREA Board Leadership Summit – Director Weinacht reported on his attendance of the SDREA Board Leadership Summit.

NRECA Legal Seminar – Attorney Nadolski reported on his attendance of this seminar.

BLC 959.1 Boardroom Challenges: Connecting Theory to Action – Directors Fish and Johnson reported on their attendance of this board leadership class.

MREA Energy Issues Summit – Directors Fish, Johnson, and Roskamp reported on their attendance of the MREA Energy Issues Summit.

NOTICES OF MEETINGS, SELECTION OF DELEGATES, AND ATTENDANCE AUTHORIZATION

BLC 957.1 How to Evaluate and Improve Board Performance, September 22-23, 2022 Virtual – Director DeGreef was authorized to attend by a motion made by Mr. Daniel, seconded by Mr. Weinacht. The motion carried.

MREA Fall Legislative Visit, September 27-28, 2022 Washington, DC – Directors DeGreef, Heinemann, and Rogen were authorized to attend by a motion made by Mr. Weinacht, seconded by Mr. Leuthold. The motion carried.

CCD 2640 Financial Decision Making, October 19-20, 2022 Virtual – Director Vostad was authorized to attend by a motion made by Mr. Rogen, seconded by Mr. Weinacht. The motion carried.

BLC 929.1 Current Governance Issues in Policy Development, October 21-22, 2022 Virtual – Director DeGreef was authorized to attend by a motion made by Mr. Johnson, seconded by Mr. Roskamp. The motion carried.

Basin Electric Annual Meeting, November 8-10, 2022 Bismarck, ND – All directors were authorized to attend by a motion made by Mr. Johnson, seconded by Mr. Rogen. The motion carried.

OTHER BUSINESS

There was no other business.

EXECUTIVE SESSION

Mr. Roskamp made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Weinacht at 12:29 p.m. The motion carried. All directors were in attendance and no action was taken. The executive session adjourned at 12:31 p.m.

NEXT MEETING

The next regular board meeting will be held on Tuesday, September 20, 2022, at 10:00 a.m. in the Colman boardroom.

ADJOURNMENT

Mr. Daniel made a motion to adjourn the Sioux Valley Energy board meeting at 12:33 p.m.

Donald DeGreef, Secretary

Date Approved: _____