

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
August 24, 2020**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on August 24, 2020 commencing at 8:40 a.m. via teleconference. Teleconference was necessary due to the COVID-19 Pandemic.

The meeting was called to order by President Allan Weinacht who presided and Allan Kooima, Secretary, acted as Secretary.

Roll call showed the following members present:

Rodney DeMent	Dan Leuthold	Allan Weinacht
Don DeGreef	Gregg Johnson	Allan Kooima
Bruce Martinson	Lucas Roskamp	Dave Daniel
Gary Fish	Mark Rogen	

All directors were present. Also present were Attorney Alan Peterson, General Manager Tim McCarthy, management staff members Betty VanDerWerff, Carrie Vugteveen, Ted Smith and Debra Bieber along with Executive Assistant, Brenda Schelhaas. Guest in attendance was Kimberlee Hansen, Manager of Human Resources and Administrative Services.

REVIEW AND CONSIDERATION OF AGENDA

The agenda was presented for consideration. Director Johnson asked that Board Leadership Classes be added to item 18 Notices of Meetings, Selection of Delegates/Attendance Authorization. A motion to approve the agenda as amended was made by Mr. Leuthold, seconded by Mr. Kooima. The motion carried.

REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES

A motion to approve the minutes of the July 27, 2020 regular board meeting was made by Mr. Johnson, seconded by Mr. Martinson. The motion carried.

MREA ANNUAL MEETING

Registration for the MREA Annual Meeting that was held on August 19, 2020 was very limited due to the COVID-19 Pandemic. Several spots became available after the July 27, 2020 board meeting. Per a motion made by Mr. DeGreef, Directors Roskamp and Martinson were retroactively authorized to attend the MREA Annual Meeting and Director Roskamp was nominated to serve as the voting delegate with Director Martinson nominated as the alternate. The motion was seconded by Mr. Daniel. The motion carried.

REVIEW AND CONSIDERATION OF DECEMBER DATE FOR BOARD MEETING

Due to a conflict with the Christmas holiday, new dates of December 21 and 22 were set for the December regular board meeting and work plan and budget.

YEAR END PROJECTION

Manager McCarthy reviewed the 2020 operating budget year end projections. His review included the original 2020 budget and the financial impact of lower sales, budget cuts and holding off the rate increase through August.

REVIEW AND CONSIDERATION OF COLLECTIVE BARGAINING AGREEMENT

Manager McCarthy called upon Debra Biever to present the proposed agreement on the renewal terms of the Collective Bargaining Agreement. Mr. Martinson made a motion to approve the proposed changes to the agreement, seconded by Mr. Rogen. The motion carried.

REVIEW OF EMPLOYEE COMPENSATION PLAN

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. The average market rate pay changes and experience step changes will be effective November 1, 2020 for employees whose performance meets expectations.

MEDICAL INSURANCE PLAN

Manager McCarthy called upon Debra Biever to review the Medical Insurance Plan. Her review included the deductible options, choice benefit dollars and the 2021 premiums. Mr. DeGreef made a motion to approve the Medical Insurance Plan, seconded by Mr. Fish. The motion carried.

BYLAWS REVIEW

Manager McCarthy called upon Carrie Vugteveen to review the proposed bylaws changes. The directors discussed some language revisions and additional bylaw changes. The Board asked that the recommended changes be made and brought back to the Board for further review at a later date.

STRATEGIC PLANNING

Discussion was held regarding setting a new date to review the R&S Plan. The Board will plan to review the R&S Plan in August 2021 as originally scheduled.

APPROVAL OF OPERATION ROUND UP BOARD OF TRUSTEES

The Board of Directors considered the reappointment of Joyce DeClerk, Moody County and Alvina Harvey, director-at-large to the Customer Trust Board of Trustees. Mr. Daniel made a motion to approve the reappointment of Joyce DeClerk and Alvina Harvey, seconded by Mr. Kooima. The motion carried.

ECONOMIC IMPACT OF INDUSTRIAL PARKS

Manager McCarthy called upon Ted Smith to present information regarding the economic impact of industrial parks. Ted's review included comparing sales and revenue in the Corson Industrial Park with the SMEC territory and projecting sales and revenue for the Hartford Industrial Park. His review also included the growth in kWh sales by school districts.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy reviewed key highlights from the East River General Manager's Report. His review included REED, the SPP "State of the Grid" presentation, Class D Contracts and the Basin FERC filing. Manager McCarthy plans to attend the Mid-West Electric Consumers Association meeting virtually September 21-23.

Manager McCarthy reviewed key highlights of his written report including wholesale power purchases, sales, revenue and the open balance register. Manager McCarthy noted that requests for new services continue to be much higher than anticipated.

Manager McCarthy reported that SVE has seen lots of activity regarding utility scams in our service territory.

ACCEPT MANAGER'S REPORT

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

REPORTS ON POWER SUPPLY MEETINGS

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

L & O – Mr. Leuthold reported that L & O board meeting will be held on August 26.

REPORTS ON MEETINGS ATTENDED

Energy Issues Summit/MREA Annual Meeting-Mr. Roskamp reported on his attendance of the Energy Issues Summit/MREA Annual Meeting that was held on August 19, 2020 in Bloomington, MN.

NOTICES OF MEETINGS, SELECTION OF DELEGATES AND ATTENDANCE AUTHORIZATION

East River Resolutions Committee, September 9, 2020 Sioux Falls
Director DeGreef authorized.

East River Annual Meeting, September 9, 2020 Sioux Falls, SD

Director Fish-Delegate

East River has asked that SVE limit the in-person attendance to the member manager, resolution committee member and the official member delegate. If Director Fish is not able to attend, Director Kooima has been authorized as the Alternate.

Board Leadership Classes, Virtual Events

All Directors were authorized to attend the online NRECA Board Leadership Classes listed below per a motion made by Mr. Martinson, seconded Mr. Rogen. The motion carried.

September 14-15, 2020 NRECA BLC 953.1 Improving Board Decision Making Quality

October 14-15, 2020 NRECA BLC 958.1 Succession Planning

November 4-5, 2020 NRECA BLC 977.1 Equity Management & Boardroom Decision Making

NRECA Regional Meetings, October 13-15, 2020 Virtual Event

Basin Annual Meeting, November 3-5, 2020 Bismarck, ND

Mid-West Annual Meeting, December 7-10, 2020 Denver, CO

NRECA Winter School for Directors, December 11-16, 2020 Nashville, TN

EXECUTIVE SESSION

Mr. Fish made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Roskamp at 12:50 p.m. The motion carried. All directors were in attendance. The executive session adjourned at 1:00 p.m. No action was taken in executive session.

OTHER BUSINESS

Director Weinacht asked that a review of Bylaws Article IV Section 4 Director Districts be added to the September board meeting agenda.

NEXT MEETING

The next regular board meeting will be held on Monday, September 28, 2020 at 8:30 a.m.

ADJOURNMENT

Mr. Fish made a motion, seconded by Mr. Daniel to adjourn the Sioux Valley Energy board meeting at 1:05 p.m. The motion carried.

Allan Kooima, Secretary

Approved: _____