

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.  
December 21, 2020**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on December 21, 2020 commencing at 8:30 a.m. at the East River Oahe Training Center.

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 (teleconference)	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 Biever along with Executive Assistant, Brenda Schelhaas.

**REVIEW AND CONSIDERATION OF AGENDA**

The agenda was presented for consideration. A motion to approve the agenda was made by Mr. Kooima, seconded by Mr. Martinson. The motion carried.

**REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES**

A motion to approve the minutes of the November 23, 2020 regular board meeting was made by Mr. Leuthold, seconded by Mr. Roskamp. The motion carried.

**SPECIAL MEETING OF THE MEMBERSHIP**

Manager McCarthy shared that he along with Carrie Vugteveen, Board President Allan Weinacht, and Attorney Alan Peterson met with the Sioux Valley Energy Credential Committee on December 2, 2020 to count ballots for the 'Special Meeting of the Membership' for the proposed bylaw amendments. The proposed amendments passed. A total of 3,122 ballots were counted. There were 2,937 'yes' votes and 185 'no' votes. Carrie Vugteveen noted there was a very good response from the membership, and the Credential Committee did a nice job counting the large number of ballots that were returned.

**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 and budget cuts.

## REVIEW AND CONSIDERATION OF RUS LOAN RESOLUTIONS AND THE AUTHORIZATION OF SIGNATURES

Manager McCarthy called upon Betty VanDerWerff and Attorney Peterson to present the proposed RUS Loan Resolutions and Authorization of Signatures. SVE received loan documents from RUS for a \$66,342,000 Federal Financing Bank (FFB) loan. This is the final process to secure funds from RUS to finance the four-year (2020-2023) construction work plan.

A motion was made by Mr. DeMent to approve the Secretary's Certificate RUS Loan Resolution, seconded by Mr. DeGreef. The motion carried.

A motion was made by Mr. DeMent to approve the RUS Loan Resolution, seconded by Mr. Kooima. The motion carried.

### SECRETARY'S CERTIFICATE *RESOLUTIONS*

1. RESOLVED that the Corporation borrow from the Federal Financing Bank ("FFB") an amount not to exceed \$66,342,000.00, to be guaranteed by the United States of America (the "Government"), acting through the Administrator of the Rural Utilities Service ("RUS"); and

2. RESOLVED that the corporation accept the terms and conditions which the Administrator of RUS has established for obtaining its guarantee of the FFB loan, as such terms and conditions are set forth; and

3. RESOLVED that the President is authorized on behalf of the Corporation to execute and deliver under its corporate seal, which the secretary is directed to affix and attest:

- (a) as many counterparts respectively as shall be deemed advisable of an agreement with the Government, in the form of the RUS Loan Contract submitted to this meeting; and
- (b) a note payable to FFB and guaranteed by RUS in the principal amount of \$66,342,000.00, substantially in the form of the FFB note submitted to this meeting; and
- (c) the note payable to the Government, acting through the Administrator of RUS, substantially in the form of the Reimbursement Note submitted to this meeting; and
- (d) as many counterparts as shall be deemed advisable of a Supplemental Mortgage by and among the Borrower, the Government, National Rural Utilities Cooperative Finance Corporation and CoBank, ACB, which, among other things, pledges all of the Corporation's property to secure notes payable to the Government in the aggregate principal amount not to exceed \$350,000,000.00 at any one time, and a financing Statement, substantially in the form of the security instruments presented to this meeting; and

4. RESOLVED that the officers of the Corporation be, and each of them is authorized in the name and on behalf of the Corporation, to execute all such instruments, make all such payments and do all such other acts as in the opinion of the officer or officers acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions; and

5. RESOLVED that the General Manager/CEO and/or the Chief Financial Officer (CFO) of corporation, is authorized on behalf of the Borrower (a) to execute and deliver from time to time advance requests, maturity extension election notices, prepayment election notices and refinancing election notices, in the form of such instruments attached to the note payable to FFB, and (b) to specify information and select options as provided in such instruments.

*RESOLUTIONS*

WHEREAS, the Board of Directors has been presented with a Rural Utilities Service Loan Contract (“RUS Loan Contract”), dated as of November 2, 2020, between Sioux Valley-Southwestern Electric Cooperative, Inc. (“Sioux Valley-Southwestern”) and the United States of America, acting through the Administrator of the Rural Utilities Service to be executed by Sioux Valley-Southwestern; and

WHEREAS, the Board of Directors has been presented with a Future Advance Promissory Note (“FFB Note”) dated as of November 2, 2020, between Sioux Valley-Southwestern and the United States of America, acting through the Federal Financing Bank (“FFB”) to be executed by Sioux Valley-Southwestern; and

WHEREAS, the Board of Directors has been presented with a Reimbursement Note, dated as of November 2, 2020, made by and between Sioux Valley-Southwestern, the United States of America, through the Administrator, and Rural Utilities Service to be executed by Sioux Valley-Southwestern; and

WHEREAS, the President of Sioux Valley-Southwestern has recommended that the Board of Directors approve the execution and filing by the President of the RUS Loan Contract, the Notes, and such other documents as required by the United States of America, acting through the Administrator of the Rural Utilities Service.

NOW, THEREFORE, BE IT,

RESOLVED that Sioux Valley-Southwestern borrow from the Federal Financing Bank (“FFB”) an amount not to exceed \$66,342,000.00, to be guaranteed by the United States of America (the “Government”), acting through the Administrator of the Rural Utilities Service (“RUS”); and

RESOLVED, that the Corporation accept the terms and conditions which the Administrator of RUS has established for obtaining its guarantee of the FFB loan, as such terms and conditions are set forth; and

RESOLVED, that the President is authorized on behalf of the Corporation to execute and deliver under its corporate seal, which the secretary is directed to affix and attest:

- (a) as many counterparts respectively as shall be deemed advisable of an agreement with the Government, in the form of the RUS Loan Contract submitted to this meeting; and
- (b) a note payable to FFB and guaranteed by RUS in the principal amount of \$66,342,000.00, substantially in the form of the FFB note submitted to this meeting; and
- (c) the note payable to the Government, acting through the Administrator of RUS, substantially in the form of the Reimbursement Note submitted to this meeting; and

RESOLVED that the officers of the Corporation be, and each of them is authorized in the name and on behalf of the Corporation, to execute all such instruments, make all such payments and do all such other acts as in the opinion of the officer or officers acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions; and

RESOLVED, that the General Manager/CEO and/or the Chief Financial Officer (CFO) of corporation, is authorized on behalf of the Borrower (a) to execute and deliver from time to time advance requests, maturity extension election notices, prepayment election notices and refinancing election notices, in the form of such instruments attached to the note payable to FFB, and (b) to specify information and select options as provided in such instruments.

Dated effective the 21<sup>st</sup> day of December, 2020.

REVIEW AND CONSIDERATION OF AFFIRMATIVE ACTION PLAN

Manager McCarthy called upon Debra Biever who reviewed the three different Affirmative Action programs addressed in the Cooperative’s Affirmative Action Plan for calendar year 2020. The Affirmative Action programs include one for minorities and women, one for individuals with disabilities and one for protected veterans. A motion was made by Mr. Daniel, seconded by Mr. Johnson, to adopt the 2020 Affirmative Action Plan and affirm that the Cooperative is complying with the requirements of the plan. The motion carried.

MEMBER ADVISORY COUNCIL APPOINTMENTS

In accordance with Board Operating Guide 9-1, directors nominate members from their respective districts to serve on the Member Advisory Council. A motion was made by Mr. Martinson and seconded by Mr. Kooima that the following nominees be appointed for three-year terms on the Member Advisory Council. The motion carried.

- District 1 Tom Davis
- District 2 Ronald Knutson  
Keith VanDuyn  
Kevin Vostad
- District 3 Connie Fitzgerald  
Jim McGuire
- District 4 Mark Moran  
Miranda Krumm
- District 5 Bonnie Dybedahl
- District 6 Larry Beesley  
Harry Buck  
Paul Lundberg  
Reid Christopherson  
Duane Harvey
- District 7 Jake Droge
- District 8 Tony Gacke  
Norman Overgaard  
Matthew VanGrootheest
- District 9 Ivan Kuhlman  
Elisabeth Roelofs
- District 10 Dan Niemeyer

STRATEGIC PLANNING

Manager McCarthy discussed the items on the agenda for strategic planning in 2021. The agenda includes rate strategy, asset direction, long-term capital credit retirement plan, political participation, and the value-added loan program.

### REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy reviewed 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 discussed key highlights from the East River General Manager's Report including the Dakota Energy lawsuit, the 2021 Basin load forecast for East River, the South Dakota Legislature leadership that was named for the upcoming session, and General Motors' announcement that 40% of its cars will be electric by 2025.

Manager McCarthy shared information regarding the SVE and Southeastern Electric (SEC) annual legislative forum that was held virtually on December 2<sup>nd</sup>. Twelve legislators took part in the event. Legislators were provided with an overview of electric cooperatives, discussed infrastructure investment/projects, and shared information about beneficial electrification and the Renewable Energy Credit program. A makeup session was held for two legislators who were unable to attend the forum on December 2<sup>nd</sup>.

Manager McCarthy called upon Ted Smith to discuss a billing error regarding a standby service under Basin Electric at the Deer Creek Station. Basin Electric was overbilled for demand and Basic Service charges since August 2017. A check for \$87,262.58 was cut to Basin Electric.

### ACCEPT MANAGER'S REPORT

A motion to accept the Manager's Report was made by Mr. Daniel, seconded by Mr. Leuthold. 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. Leuthold reported on his attendance of the L & O Power board meeting.

### REPORTS ON MEETINGS ATTENDED

Board Leadership Class (BLC) – Mr. Roskamp reported on his attendance of BLC 905.10 Assessing Governance that he attended in Pierre, SD.

Board Leadership Class (BLC) – Mr. Roskamp, Mr. Kooima, and Mr. DeMent reported on their attendance of BLC 977.10 Equity Management. This was a virtual class.

Mid-West Annual Meeting – Mr. Roskamp reported on his attendance of the Mid-West Annual Meeting. This was a virtual event.

NOTICES OF MEETINGS, SELECTION OF DELEGATES AND ATTENDANCE AUTHORIZATION

NRECA PowerXchange, February 23-24 and March 2-4, 2021 Virtual Event – Director DeMent was nominated to serve as the voting delegate with Director Daniel as alternate by a motion made by Mr. DeGreef, seconded by Mr. Leuthold. The motion carried.

OTHER BUSINESS

No discussion was held regarding other business.

EXECUTIVE SESSION

Mr. DeGreef made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Leuthold at 10:35 a.m. The motion carried. All directors were in attendance. The executive session adjourned at 11:00 a.m.

NEXT MEETING

The next regular board meeting will be held on Tuesday, January 26, 2021 at 8:30 a.m. via Zoom.

ADJOURNMENT

Mr. Roskamp made a motion, seconded by Mr. DeMent to adjourn the Sioux Valley Energy board meeting at 11:05 a.m. The motion carried.

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Allan Kooima, Secretary

Approved: \_\_\_\_\_