

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.  
April 26, 2021**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on April 26, 2021 commencing at 8:30 a.m. via Zoom.

The meeting was called to order by President Allan Weinacht who presided. Due to Director Allan Kooima's death, President Weinacht appointed Director Leuthold as Temporary Secretary for this meeting.

Roll call showed the following members present:

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

Also present were Attorney Alan Peterson, General Manager Tim McCarthy, management staff members Betty VanDerWerff, Ted Smith, and Debra Biever along with Executive Assistant, Brenda Schelhaas. Director Gregg Johnson joined the meeting at 8:40 a.m.

**REVIEW AND CONSIDERATION OF AGENDA**

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

**REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES**

A motion to approve the minutes of the March 23, 2021 regular board meeting was made by Mr. Daniel, seconded by Mr. DeGreef. The motion carried.

**DISTRICT MEETINGS/ANNUAL MEETING**

Manager McCarthy reviewed the dates for the three district meetings that will be held this year and noted that district meeting notices were sent this past week. He presented a map showing the flow of members through the voting process. Manager McCarthy also reviewed the COVID-19 protocols that will be in place including barrier cones, tape on floors to help with social distancing, masks, high top tables, sneeze guards, and hand sanitizer.

Manager McCarthy discussed the plans that are being made for the Annual meeting which will be held on Tuesday, June 8<sup>th</sup> at the Verne Drive-In located in Luverne. The evening's events will include a business meeting, musical entertainment from "The Barn Flies", and a drive-in movie at dusk.

**REVIEW AND CONSIDERATION OF 2020 FINANCIAL AUDIT REPORT**

Manager McCarthy called upon Betty VanDerWerff who introduced Craig Popenhagen of the CliftonLarsonAllen, LLP auditing firm. Mr. Popenhagen reviewed the annual audit of Sioux Valley Energy's 2020 financial statements as well as the single audit required for the FEMA funds received or obligated in 2020. The audits were performed remotely again this year and all items were submitted electronically due to the COVID-19 pandemic. Mr.

Popenhagen stated that the audit went smoothly and the SVE staff was easy to work with.

Mr. Popenhagen also stated that the Cooperative is in strong financial condition and exercising effective internal controls. He reported “clean audits” for both the annual and single audit. Mr. Popenhagen noted that the financial reports are presented fairly and that there were no compliance issues. He also reviewed a few CFC Key Ratios to illustrate how the Cooperative compares with other cooperatives in the area. A motion to approve the 2020 Audit Report, as presented, was made by Mr. Rogen, seconded by Mr. Fish. The motion carried.

#### REVIEW AND CONSIDERATION OF GENERAL MANAGER’S QUARTERLY EXPENSE STATEMENT

Mr. Daniel, Treasurer, reported that he reviewed the General Manager’s quarterly expense and credit card statements for the period of January through March 2021 and found all expenses to be in order. The report was accepted, and payment of the General Manager’s statement in the amount of \$570.53 was approved per a motion made by Mr. Daniel, seconded by Mr. Leuthold. The motion carried.

#### REVIEW AND CONSIDERATION OF ATTORNEY’S QUARTERLY EXPENSE STATEMENT

Executive Assistant, Brenda Schelhaas, presented the quarterly expense statement for Attorney Peterson. A motion to approve payment of the Attorney’s expense statement for January through March 2021 in the amount of \$11,248.86 was made by Mr. Martinson, seconded by Mr. DeGreef. The motion carried.

#### REVIEW AND CONSIDERATION OF DATE FOR BOARD TOUR

Manager McCarthy called upon Ted Smith to discuss plans for a bus tour of the area in and around Sioux Falls. Discussion was held regarding a date and Mr. Fish made a motion to set August 6, 2021 as the date for the tour, seconded by Mr. DeGreef. The motion carried.

#### STRATEGIC PLANNING

Manager McCarthy discussed the August 23<sup>rd</sup> strategic planning agenda. He noted that the Strategic Leadership Team will be meeting on May 17<sup>th</sup> to prioritize some of the items being considered.

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

Manager McCarthy and Carrie Vugteveen recently discussed the RUS approval backlog with Senator Thune, Senator Rounds, and Representative Johnson. Manager McCarthy noted that Sioux Valley Energy has four jobs waiting on approvals from the RUS environmental area. Some cooperatives may be looking at financing through CFC or CoBank due to the delays with RUS.

Manager McCarthy discussed key highlights from the East River General Manager’s Report

including business development, CoBank patronage, IT hacking, the Dakota Energy lawsuit, the Future Fuels Act and another ethanol-related bill introduced in Minnesota, States suing Biden administration over Keystone XL, and South Dakota legislative bills.

Manager McCarthy reviewed wholesale power purchases, sales, and revenue. He noted there were 46 new service requests in March which is up from 43 in March 2020.

On April 16<sup>th</sup>, a meeting was held with City of Sioux Falls Sustainability Coordinator, Holly Meier. Ben Pierson, Reggie Gassman, Sheila Gross, and Jay Buchholz held a Zoom discussion to discuss Beneficial Electrification topics such as renewable energy, EV charging plans, RECs, and the Co-op model. Holly was very appreciative of the information as it will help her department match emission reduction goals and/or city projects to what SVE may be planning to implement.

Manager McCarthy reviewed the March accidents and near misses. He noted that SVE has had a very good safety record so far this year with one injury accident and one liability claim. Five near misses have been recorded which shows near miss incidents are being reported.

#### ACCEPT MANAGER'S REPORT

A motion to accept the Manager's Report was made by Mr. Roskamp, seconded by Mr. DeMent. 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

L&O Power Annual Meeting – Mr. Weinacht reported on his attendance of the L&O Power annual meeting.

#### NOTICES OF MEETINGS, SELECTION OF DELEGATES, AND ATTENDANCE AUTHORIZATION

Energy Market Overview, April 9, 2021 Virtual – Directors DeMent, DeGreef, Leuthold, Weinacht, and Rogen were retroactively authorized to attend by a motion made by Mr. Daniel, seconded by Mr. Roskamp. The motion carried.

CFC Executive Conversation, April 29, 2021 Virtual – Directors DeMent and DeGreef were authorized to attend by a motion made by Mr. Daniel, seconded by Mr. Martinson. The motion carried.

BLC 974.10 Rate Making Strategies, May 13-14, 2021, Virtual – Directors DeGreef and Johnson were authorized to attend by a motion made by Mr. Roskamp, seconded by Mr. Leuthold. The motion carried.

CFC Summit, June 14-16, 2021 San Antonio, TX – Mr. Rogen was authorized as the voting delegate by a motion made by Mr. Martinson, seconded by Mr. DeGreef. The motion carried.

SDREA Legal Seminar, July 14-15, 2021 Pierre, SD – Attorney Peterson was authorized to attend by a motion made by Mr. DeMent, seconded by Mr. Daniel. The motion carried.

NRECA Legal Seminar, July 20-22, 2021 Virtual – Attorney Peterson was authorized to attend by a motion made by Mr. Roskamp, seconded by Mr. Martinson. The motion carried.

SDREA Board Leadership Summit, July 25-26, 2021 Pierre, SD – Directors DeGreef, Roskamp, and Weinacht were authorized to attend by a motion made by Mr. Rogen, seconded by Mr. Johnson. The motion carried.

MREA New Directors Orientation, August 9-10, 2021, Bloomington, MN – Dr. Leslie Heinemann was authorized to attend by a motion made by Mr. Leuthold, seconded by Mr. Daniel. The motion carried.

#### EXECUTIVE SESSION

Mr. Roskamp made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. DeMent at 10:55 a.m. The motion carried. All directors in attendance were present. The executive session adjourned at 11:30 a.m.

Due to Director Allan Kooima's death, Mr. DeGreef was elected to serve as Sioux Valley Energy's board Temporary Secretary. Mr. DeGreef was also elected to serve as SVE's board Secretary until elections are held in June 2021. Mr. Daniel was elected to serve the remainder of Mr. Kooima's position on the SDREA Board of Directors.

#### NEXT MEETING

The next regular board meeting will be held on Tuesday, May 25, 2021 at 8:30 a.m. in the Brandon Service Center community room.

#### ADJOURNMENT

Mr. Roskamp made a motion, seconded by Mr. Rogen to adjourn the Sioux Valley Energy board meeting at 11:35 a.m. The motion carried.

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Dan Leuthold, Temporary Secretary

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