

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
May 25, 2021**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on May 25, 2021 commencing at 8:30 a.m. at the Brandon Service Center.

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

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
Gregg Johnson		

Also present were Attorney Alan Peterson, Director-elect Dr. Leslie Heinemann, General Manager Tim McCarthy, Strategic Leadership Team members Betty VanDerWerff, Carrie Vugteveen, and Ted Smith along with Executive Assistant, Brenda Schelhaas. Guest in attendance was Darrin Lynch from CFC.

REVIEW AND CONSIDERATION OF AGENDA

The agenda was presented for consideration with additions of Operation Round Up Appointments and a report on the SDREA Executive Search Committee. A motion to approve the agenda with additions was made by Mr. Daniel, seconded by Mr. Fish. The motion carried.

REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES

A motion to approve the amended minutes of the April 26, 2021 regular board meeting was made by Mr. Leuthold, seconded by Mr. Roskamp. The motion carried.

UNDERSTANDING THE FORM 7

Darrin Lynch, from CFC, presented a program specifically looking at the Form 7 Statement of Operations and the Balance Sheet. Mr. Lynch went through an interactive exercise examining specific co-op transactions and discussed how the transactions impact the balance sheet, income sheet, or both and why.

**REVIEW AND CONSIDERATION OF RESOLUTIONS OF APPRECIATION FOR
BRUCE MARTINSON AND ALLAN KOOIMA**

Manager McCarthy presented the Resolution of Appreciation for Bruce Martinson. A motion to adopt the following resolution was made by Mr. Fish, seconded by Mr. DeGreef. The motion carried.

Resolution of Appreciation for Bruce Martinson

WHEREAS, Bruce Martinson dedicated many hours to Sioux Valley Energy serving as the District 3 Director from 2004 to 2021; and

WHEREAS, Bruce has made significant contributions to Sioux Valley Energy; and

WHEREAS, the members of Sioux Valley Energy have greatly benefited from Bruce's knowledge, diligence, and deep commitment to the mission of the electric cooperative; and

WHEREAS, Bruce has proven a powerful and effective standard-bearer for the principles of governance during challenging times for Sioux Valley Energy; and therefore be it

RESOLVED: That Sioux Valley Energy offers its deepest appreciation to and commends Bruce Martinson for his contributions to the cooperative members and its power suppliers.

Manager McCarthy presented the Resolution of Appreciation for Allan Kooima. A motion to adopt the following resolution was made by Mr. Daniel, seconded by Mr. Martinson. The motion carried.

Resolution of Appreciation for Allan Kooima

WHEREAS, Allan Kooima served Sioux Valley Energy as a Director since election to the Sioux Valley Energy Board of Directors in 2013; and

WHEREAS, Allan made significant contributions to Sioux Valley Energy and the South Dakota Rural Electric Association, including serving as Secretary of Sioux Valley Energy; and

WHEREAS, Allan unselfishly dedicated his time to the members and employees of Sioux Valley Energy and to the betterment of the communities in southeastern South Dakota and southwestern Minnesota; and

WHEREAS, Allan maintained a high level of regard for issues and policy involving Sioux Valley Energy and the South Dakota Rural Electric Association during his years of service; and

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of Sioux Valley Energy hereby expresses its sincere appreciation to Allan Kooima's family for the time Allan shared with Sioux Valley Energy in serving his cooperative; and

BE IT FURTHER RESOLVED, that the Board of Directors extends to Allan's family their condolences for the loss of Allan. He was a true gentleman and will be greatly missed.

BYLAW DISCUSSION/DIRECTOR DISTRICTS

Discussion was held regarding the current director districts and forming a subcommittee of the board to review them. A motion was made by Mr. Fish to form a subcommittee of directors made up of the SVE Vice President, a Minnesota director, and a South Dakota director to review the current director districting, with support from the Strategic Leadership Team, and bring their findings back to the full SVE Board of Directors. The motion was seconded by Mr. DeGreef, motion carried.

The director district number two vacancy was discussed. Attorney Peterson reviewed the Bylaws regarding director vacancies. A motion to proceed with filling the director district number two vacancy was made by Mr. Martinson, seconded by Mr. Fish. The motion carried. Due to Bylaw notice requirements, the soonest this district meeting can be held is September or October 2021.

No decisions on director districts will be made until the director district number two vacancy has been filled.

OPERATION ROUND UP APPOINTMENTS

Carrie Vugteveen informed the board that terms are expiring in July 2021 for Operation Round Up board members Ann Vostad, Jeff Thompson, and Jennifer Stratton. Carrie will contact these directors and see if they are interested in serving another three-year term on the Operation Round Up Board of Directors.

DISTRICT MEETINGS/ANNUAL MEETING

Manager McCarthy reviewed the district meetings which were held this month. The district number three meeting was held on May 10th in Flandreau with 39 members in attendance. Dr. Leslie Heinemann was elected to serve a three-year term on the Sioux Valley Energy Board of Directors.

The district number one meeting was held on May 11th in Elkton with 40 members in attendance. Incumbent, Don DeGreef, was elected to serve another three-year term on the Sioux Valley Energy Board of Directors.

The district number eight meeting was held on May 13th in Luverne with 51 members in attendance. Incumbent, Dan Leuthold, was elected to serve another three-year term on the Sioux Valley Energy Board of Directors.

Manager McCarthy noted the meetings went smoothly and were well planned. Special recognition for this effort was given to Lori George.

Carrie Vugteveen reviewed the plans for the Annual meeting which will be held on June 8th at the Verne Drive-in Theater in Luverne, MN. The evening's events will include a business meeting, musical entertainment from "The Barn Flies", and a drive in-movie, Cruella, at dusk. Carrie noted that post cards informing the membership of the event were mailed on May 24th.

NISSAN LEAF DRIVING EXPERIENCE

Mr. DeMent gave a review of his experience driving SVE's all electric vehicle, EVie. He discussed the miles he traveled in a day, charging time required, driving range, and acceleration. Mr. DeMent enjoyed the driving experience and encouraged other directors to try driving EVie.

STRATEGIC PLANNING

Manager McCarthy discussed a planning session the Strategic Leadership Team held recently to discuss items identified by the Board for the strategic planning session to be held in August. Assignments were made to research and gather background information for the Board's review and consideration in discussions during that session.

Manager McCarthy informed the Board that the Beneficial Electrification Department held a team building and strategic planning session this past week. This was the first time the entire department was able to come together in person since it officially formed on January 1st. The session went well and was extremely successful in bringing the department together as a team.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy and Ted Smith discussed an issue with Ellis and Eastern Railroad regarding a railroad crossing near Beaver Creek. Ted Smith will provide further information as he works through the permitting process with them.

Manager McCarthy and Ted Smith lead a discussion on FERC 2222.

Manager McCarthy discussed key highlights from the East River General Manager's Report including business development, Poet Mitchell, a GEVO proposal, the 2021 1st quarter electric plan construction update, the South Dakota legislative meeting regarding federal funding, and the Minnesota legislative session.

Manager McCarthy reviewed wholesale power purchases, sales, and revenue. There were 69 new service requests in April which is up from 58 in April 2020.

Manager McCarthy noted that SVE received a capital credit retirement check in the amount of \$56,451 from L&O and a notification from East River of its capital credit retirement in the amount of \$315,407.

Jason Maxwell has accepted our offer to fill the new Assistant CFO position at SVE. Jason is currently a Financial Planning and Analysis Lead at East River Electric. He will join the SVE team on June 16th.

Manager McCarthy reviewed the April accidents and near misses. He noted that SVE has had a very good safety record so far this year with one injury accident. Six near misses have been recorded which shows near miss incidents are being reported. Mr. Daniel reported on a public contact incident that occurred near his home.

ACCEPT MANAGER'S REPORT

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

REPORTS ON POWER SUPPLY MEETINGS

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

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

REPORTS ON MEETINGS ATTENDED

CFC Executive Session – Mr. DeGreef and Mr. DeMent reported on their attendance of the CFC Executive Session.

BLC 974.1 Rate Making Strategies – Mr. Johnson and Mr. DeGreef reported on their attendance of BLC 974.1.

SDREA Executive Search – Mr. Daniel reported on his attendance of the SDREA Executive Search meeting. He reported that Trevor Jones was selected to serve as the CEO of SDREA.

NOTICES OF MEETINGS, SELECTION OF DELEGATES, AND ATTENDANCE AUTHORIZATION

BLC August 10, 2021 and Energy Issues Summit August 11-12, 2021, Bloomington, MN – All directors were authorized to attend by a motion made by Mr. Rogen, seconded by Mr. DeMent. The motion carried.

East River Annual Meeting September 8, 2021, Sioux Falls, SD – All directors were authorized to attend by a motion made by Mr. Roskamp, seconded by Mr. Fish. The motion carried. Mr. Weinacht volunteered to serve as the Delegate and Mr. Roskamp volunteered to serve as the Alternate.

OTHER BUSINESS

Discussion was held regarding the annual board reorganization/election of officers. Directors were each asked to express their interest in the officer positions that will be elected at the June board meeting.

EXECUTIVE SESSION

There was no executive session.

NEXT MEETING

The next regular board meeting will be held on Tuesday, June 22, 2021 at 8:30 a.m. in the Brandon Service Center community room.

ADJOURNMENT

Mr. Leuthold made a motion, seconded by Mr. Fish to adjourn the Sioux Valley Energy board meeting at 1:25 p.m. The motion carried.

Don DeGreef, Secretary

Date Approved: _____