

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
July 27, 2021**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on July 27, 2021 commencing at 8:30 a.m. at the Colman 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
Don DeGreef	Dave Daniel	Gary Fish
Dr. Leslie Heinemann	Lucas Roskamp	Gregg Johnson
Mark Rogen		

Also present were Attorney Alan Peterson, General Manager Tim McCarthy, Strategic Leadership Team members Debra Biever and Betty VanDerWerff along with Executive Assistant, Brenda Schelhaas. Guests in attendance were Jason Maxwell and Justin Moose.

REVIEW AND CONSIDERATION OF AGENDA

The agenda was presented for consideration with the addition of a report on the NRECA Legal Seminar. A motion to approve the agenda was made by Mr. Johnson, seconded by Mr. Daniel. The motion carried.

REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES

A motion to approve the minutes of the June 22, 2021 regular board meeting was made by Mr. Johnson, seconded by Mr. Weinacht. The motion carried.

COBANK 2021 DIRECTOR ELECTION

Manager McCarthy stated there are two candidates, Lisa A. Borgen and Robert (Mac) N. McLennan, running for the CoBank director position. Mr. Rogen made a motion for Mr. Fish to cast SVE's vote for Robert (Mac) N. McLennan, seconded by Mr. DeGreef. The motion carried. Mr. Fish will cast the ballot prior to the September 15, 2021 deadline.

ACSI REVIEW

Keith Kaderly from Inside Information, LLC presented a webinar on the 2021 ACSI score/survey results for Sioux Valley Energy. Mr. Kaderly shared that the survey was conducted by contacting randomly selected SVE members. He also showed statistics from this year's survey and the history of SVE's ACSI scores. Sioux Valley Energy's score was 87 this year which is the same score as last year.

CYBER SECURITY UPDATE

Manager McCarthy called upon Justin Moose to discuss Sioux Valley Energy's cyber security plan. Justin discussed security testing, web application assessments, and backup/disaster recovery. He also gave a look into the future for SVE's network security.

CEO AND BOARD DIRECTOR EVALUATIONS

Manager McCarthy called upon Brenda Schelhaas to distribute the Board Director Evaluation Forms. The evaluation forms will also be sent electronically. Manager McCarthy asked that the evaluation forms be mailed or emailed to Brenda prior to the August 2021 board meeting.

Manager McCarthy discussed several changes to the CEO evaluation. The CEO evaluation will now include a self-evaluation along with feedback from the Strategic Leadership Team. An updated CEO Evaluation form will be sent electronically to the Board the second or third week of August.

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 April through June 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 \$559.60 was approved per a motion made by Mr. Daniel, seconded by Mr. Roskamp. 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 April through June 2021 in the amount of \$9,195.64 was made by Mr. Rogen, seconded by Mr. Weinacht. The motion carried.

REVIEW AND CONSIDERATION OF DECEMBER DATES FOR BOARD AND BUDGET MEETINGS

Due to a conflict with the Christmas holiday, new dates of December 20th and 21st were set for the December regular board meeting and work plan and budget meeting per a motion made by Mr. Weinacht, seconded by Mr. Leuthold. The motion carried.

DIRECTOR DISTRICT TWO VACANCY

Manager McCarthy informed the board there are three candidates for the open director position in District Two. The candidates are Ann Vostad, Karl Seidl, and Chuck Miller. The District Two election will be held on September 21, 2021 at the Sioux Valley School in

Volga, SD. The meeting will consist of a meal, an opportunity for candidates to speak, and a vote.

STRATEGIC PLANNING

Manager McCarthy stated that he will be meeting with Mr. Fish to discuss the agenda for the Board's strategic planning session that will be held on August 23rd. Manager McCarthy also reminded the Board of the August 6th bus tour. A map of the area that will be toured was reviewed.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy gave an update on Basin Electric's search for a new CEO/General Manager. Todd Telesz will lead the cooperative as of September 1, 2021.

Manager McCarthy discussed the Basin MAC meeting topics including a rate reduction of one mill for electric heat, the financial forecast, the 2022 load forecast, and SPP West RTO.

Manager McCarthy reported on key highlights from the East River General Manager's report including the search for a new Economic Development Manager of the REED Fund, MidWest Water and Power Committee meeting, RUS approvals, load shed plan, strategic building discussion, and the Minnesota special legislative session.

Manager McCarthy reviewed wholesale power purchases, sales, and revenue. SVE hit a new all-time summer peak in June 2021 at 153.6 MW. Fifty new service requests were received in June, down from 72 requests in June last year. There are several new loads due to carbon-based projects including five new methane digesters under construction at dairies in SVE territory.

Manager McCarthy discussed an injury accident that occurred this past month.

ACCEPT MANAGER'S REPORT

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

SDREA Board Meeting – Mr. Daniel reported on his attendance of the SDREA board meeting.

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

SDREA Board Leadership Summit – Mr. Roskamp and Mr. DeGreef reported on their attendance of the SDREA Board Leadership Summit.

NRECA Legal Seminar – Attorney Peterson reported on his attendance of the NRECA Legal Seminar.

NOTICES OF MEETINGS, SELECTION OF DELEGATES, AND ATTENDANCE AUTHORIZATION

American Coalition for Ethanol (ACE), August 18-19, 2021, Minneapolis, MN – Mr. Rogen was authorized to attend by a motion made by Mr. Weinacht, seconded by Mr. Daniel. The motion carried.

NRECA Regions 5 & 6 Meeting, September 15-17, 2021, Minneapolis, MN – All directors were authorized to attend, Mr. Weinacht was authorized as the Delegate, and Mr. Johnson was authorized as the Alternate by a motion made by Mr. Rogen, seconded by Mr. Johnson.

NRECA Director Election, September 24, 2021, Pierre, SD – Mr. Daniel was authorized as the Delegate and Mr. Rogen as the Alternate by a motion made by Mr. DeGreef, seconded by Mr. Weinacht.

OTHER BUSINESS

A discussion was held regarding board redistricting. This topic will be addressed after the election has been held for the District Two director vacancy.

A date for a Member Advisory Committee meeting will be set at the August board meeting.

EXECUTIVE SESSION

Mr. Roskamp made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Weinacht at 1:40 p.m. The motion carried. All directors were in attendance. No action was taken in executive session. The executive session adjourned at 1:45 p.m.

NEXT MEETING

A strategic planning meeting will be held on Monday, August 23, 2021 at 8:30 a.m. The next regular board meeting will be held on Tuesday, August 24, 2021 at 8:30 a.m. Both meetings will be held in the Colman boardroom.

ADJOURNMENT

Mr. Weinacht made a motion, seconded by Mr. Roskamp to adjourn the Sioux Valley Energy board meeting at 1:50 p.m. The motion carried.

Don DeGreef, Secretary

Date Approved: _____