

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

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

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	Mark Rogen
Gregg Johnson	Ann Vostad	

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

REVIEW AND CONSIDERATION OF AGENDA

The agenda was presented for consideration. Manager McCarthy asked that the order of some agenda items be changed and stated that Trevor Jones (agenda item 6) was not able to attend today. A motion to approve the agenda as amended was made by Mr. DeGreef, seconded by Mr. Johnson. The motion carried.

REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES

A motion to approve the minutes of the September 28, 2021 regular board meeting was made by Mr. Weinacht, seconded by Mr. Johnson. The motion carried.

INTRODUCTION OF NEW EMPLOYEE

Manager McCarthy called upon Debra Biever to introduce Adrian (AJ) Ilchuk. AJ has been hired to fill the new Information System Specialist Operations position at the Brandon service center. AJ previously worked for SVE from 2002-2006 as a Network Coordinator. AJ started his new position on October 1, 2021.

REVIEW AND CONSIDERATION OF BASIN LOAD FORECAST REPORT FOR SIOUX VALLEY ENERGY

Manager McCarthy called upon Ted Smith to review the 2022 Basin load forecast for the time period from 2023 to 2050. Mr. Rogen made a motion to approve the 2022 Basin load forecast resolution, seconded by Mr. Weinacht. The motion carried.

WHEREAS, Basin Electric Power Cooperative has completed a detailed forecast of total Demand and energy requirements for the period of 2023 through 2050; and

WHEREAS, the forecast was prepared in accordance with current Rural Utilities Service regulations using reasonable methodologies; and

WHEREAS, the Board of Directors of Sioux Valley Energy has reviewed the study and its conclusions;

THEREFORE, BE IT RESOLVED, that the Board of Directors of Sioux Valley Energy does hereby adopt and approve the 2022 Load Forecast prepared by Basin Electric Power Cooperative as a reasonable forecast of the future demand and energy requirements for Sioux Valley Energy through the year 2050.

And that the action taken and/or resolutions adopted as above set out have never been rescinded, altered, amended, modified or repealed, and are of the date hereof in full force and effect.

REVIEW AND CONSIDERATION OF PROPOSED WRITE-OFF OF UNCOLLECTABLE ACCOUNTS

Manager McCarthy called upon Debra Biever and Toni Kruger to review the proposed write-off of uncollectable electric energy and miscellaneous receivable/loan accounts. The total write-off amount is \$19,210.61 compared to \$12,319.69 in 2020. SVE will retain \$6,834.60 in unretired capital credits to offset part of this write-off, resulting in a net write-off of \$12,376.01. A motion was made by Mr. Roskamp to approve the proposed write-off of uncollectable accounts, seconded by Mr. Leuthold. The motion carried.

REVIEW AND CONSIDERATION OF PROPOSED RESOLUTION-GENERAL RETIREMENT AND FORFEITURE OF UNCLAIMED CAPITAL CREDITS

Manager McCarthy called upon Betty VanDerWerff to present a proposed resolution for the 2021 general capital credit retirement and declaration of forfeiture of unclaimed capital credits. The resolution included a \$2,082,000 general retirement of capital credits along with forfeiture of unclaimed capital credits retired in 2015. Mr. Daniel made a motion to approve the \$2.082 million general capital credit retirement, seconded by Mr. Johnson. The motion carried. Mr. Rogen made a motion to approve the forfeiture of the 2015 unclaimed capital credits, seconded by Mr. Weinacht. The motion carried.

WHEREAS, the Cooperative bylaws provide for the retirement of capital credits to members and former members of the Cooperative; and

WHEREAS, the Cooperative bylaws also provide that any unclaimed retired capital credits be irrevocably assigned and retained by the Cooperative.

THEREFORE, BE IT RESOLVED; that the Board of Directors of Sioux Valley Energy does hereby approve a general retirement of capital credits for 2021 in the amount of \$2,082,000,

AND BE IT FURTHER RESOLVED; that the Board of Directors of Sioux Valley Energy declares the forfeiture of unclaimed capital credits retired in 2015 to South Dakota accounts unless claimed within six months from the date of this resolution or notification required by the state.

EXECUTIVE SESSION

Mr. Daniel made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. DeGreef at 9:30 a.m. The motion carried. All directors were in attendance and no action was taken during executive session. The executive session adjourned at 9:50 a.m.

APPROVAL OF MARKET RATE TARIFFS

Mr. DeGreef made a motion to approve the four market rates that were discussed in executive session, seconded by Mr. Weinacht. The motion carried.

REBRANDING DISCUSSION

Manager McCarthy called upon Carrie Vugteveen to provide information regarding reviving the SVE brand. Following discussion by the Board, it was decided to work with the Touchstone Energy Creative Team to explore revitalizing SVE's brand.

BOARD REPRESENTATIVE TO SVE SCHOLARSHIP SELECTION COMMITTEE

Carrie Vugteveen asked for a volunteer from the Board to serve on the scholarship committee. Mr. Daniel volunteered to serve on the committee. Mr. Rogen made a motion to approve Mr. Daniel as this year's board scholarship committee member, seconded by Mr. DeGreef. 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 July through September 2021 in the amount of \$13,411.23 was made by Mr. Weinacht, seconded by Mr. Roskamp. 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 July through September 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 \$853.27 was approved per a motion made by Mr. Daniel, seconded by Mr. Rogen. The motion carried.

REVIEW AND CONSIDERATION OF BROOKINGS COUNTY OPERATION ROUND UP DIRECTOR

Manager McCarthy informed the Board that due to Ann Vostad's election to the Sioux Valley Energy Board of Directors, a replacement needs to be named for her director position on the Operation Round Up board. Ms. Vostad spoke with Brenda Volkers regarding the Operation Round Up director position and she is interested in serving on the Operation Round Up Board of Directors. A motion was made by Mr. DeGreef, seconded by Mr. Roskamp to approve Brenda Volkers as the Brookings County Operation Round Up Director. The motion carried.

STRATEGIC PLANNING

No discussion was held regarding strategic planning.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy reported on key highlights from the East River General Manager's report including Basin FERC dockets, business development, Western Area Power Administration, pandemic supply chain issues for IT infrastructure, service truck replacements, COVID-19 vaccine federal mandates, ethanol issues, and the November 8th South Dakota special legislative session.

Manager McCarthy reviewed wholesale power purchases, sales, and revenue. He noted that there were 50 new service requests in September. Manager McCarthy discussed several injury accidents that have occurred in the past few months.

ACCEPT MANAGER'S REPORT

A motion to accept the Manager's Report was made by Mr. Leuthold, seconded by Dr. Heinemann. The motion carried.

CFC KEY RATIO TREND ANALYSIS

Manager McCarthy called upon Jason Maxwell who reviewed the CFC Key Ratio Trend Analysis (KRTA) report. His review included key system operating, expense, and growth ratios for a five-year period ending December 2020. The KRTA report also showed comparisons to other cooperatives in five categories including state, major power supplier, national, consumer size (25,000 to 29,999), and plant growth.

REPORTS ON POWER SUPPLY MEETINGS

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

NOTICES OF MEETINGS, SELECTION OF DELEGATES, AND ATTENDANCE AUTHORIZATION

BLC 953.1 Improving Board Decisions-Making Quality, December 7, 2021, Pierre, SD – All directors were authorized to attend by a motion made by Mr. Roskamp, seconded by Mr. Rogen. The motion carried.

BLC 944.1 Giving and Receiving Effective Feedback, December 8, 2021, Pierre, SD – All directors were authorized to attend by a motion made by Mr. DeGreef, seconded by Dr. Heinemann. The motion carried.

New Director Orientation, November 15, 2021, Madison, SD – All directors were authorized to attend by a motion made by Mr. Weinacht, seconded by Mr. Johnson. The motion carried.

Legislative Luncheon, November 22, 2021, Sioux Falls, SD – All directors were authorized to attend by a motion made by Mr. Johnson, seconded by Mr. Weinacht. The motion carried.

REPORTS ON MEETINGS ATTENDED

SDREA Legislative Committee Meeting – Director Rogen reported on his attendance at the SDREA Legislative Committee Meeting.

OTHER BUSINESS

Attorney Peterson asked that the salaries that were discussed in the Board's September executive session be approved at this board meeting in open session. Mr. Rogen made a motion to approve the new salaries, seconded by Mr. Roskamp. The motion carried.

EXECUTIVE SESSION

Mr. Weinacht made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Johnson at 1:00 p.m. The motion carried. All directors were in attendance and no action was taken during executive session. The executive session adjourned at 1:35 p.m.

NEXT MEETING

The next regular board meeting will be held on Tuesday, November 23, 2021 at 8:30 a.m. in the Colman boardroom.

ADJOURNMENT

Dr. Heinemann made a motion, seconded by Mr. Rogen to adjourn the Sioux Valley Energy board meeting at 1:40 p.m. The motion carried.

Don DeGreef, Secretary

Date Approved: _____