

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
November 23, 2021**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on November 23, 2021 commencing at 8:30 a.m. in 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
Ann Vostad	Dave Daniel	Gary Fish
Dr. Leslie Heinemann	Lucas Roskamp	Mark Rogen
Gregg Johnson		

Don DeGreef attended via teleconference. 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. Guest in attendance was Jason Maxwell.

REVIEW AND CONSIDERATION OF AGENDA

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

REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES

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

SAFETY STEERING COMMITTEE UPDATE

Manager McCarthy called upon the Safety Steering Committee (SSC) to give the Board an update on activities and the ongoing efforts to enhance the safety culture at Sioux Valley Energy. The committee explained the Action Item Matrix (AIM), shared the 'I Will' statements and the 'I Will' safety video featuring SSC members, and discussed the Safety Balanced Scorecard. Present from the Safety Steering Committee were Debra Biever, Terry Ebright, Matt Determan, Steve Dvergsten, Mike Oines, Kim Brendsel, Sheila Gross, Kyle Thomsen, and Daren Hoffer.

HARTFORD OFFICE

Manager McCarthy presented information regarding a rental property in Hartford, SD. Building specifications, a blueprint, and pictures of the facility were provided. Mr. Johnson made a motion to approve a ten-year lease agreement at \$2,125 a month seconded by Mr. Rogen. Further discussion was held. Dr. Heinemann moved to amend the motion to approve a five-year lease agreement at \$2,125 a month with an option for another five-year term allowing for an increase up to five per cent after the initial five-year term. Mr. Johnson seconded the amended motion. The amended motion carried.

REVIEW AND CONSIDERATION OF RUS LABOR ONLY CONSTRUCTION CONTRACT-OVERHEAD CONSTRUCTION

Manager McCarthy called upon Ted Smith to present the proposed labor only contracts for overhead construction work for 2022 and 2023 with the total amount of each contract not to exceed five million dollars. Bid packages were sent to eight pre-qualified contractors. Highline Construction, Inc. and Legacy Power Line, Inc. were the low bidders. Mr. Daniel made a motion to authorize the labor only contracts for overhead construction work to Highline Construction, Inc. and Legacy Power Line, Inc., seconded by Mr. Rogen. The motion carried.

BROOKINGS COUNTY RIGHT OF WAY (ROW)

Manager McCarthy called upon Ted Smith to provide information related to ROW issues in Brookings County. Brookings County has put a moratorium on new applications to occupy the ROW. This means that if SVE was to get a new service request, the cooperative would not be able to serve the member as SVE cannot apply for occupancy of the ROW. Brookings County is also taking the position that the filed ROW in the Registrar of Deeds office may not be accurate. The County is of the opinion that the ROW should be as it was designed and not necessarily as it was recorded. SVE will continue to work with Brookings County to come to an agreement with them.

REVIEW AND CONSIDERATION OF 2022 ANNUAL MEETING

Manager McCarthy called upon Carrie Vugteveen to discuss the proposed date for the 2022 Annual Meeting. Mr. Rogen made a motion to hold the Annual meeting on June 7, 2022 at the Sioux Falls Convention Center, Sioux Falls, SD, seconded by Mr. Weinacht. The motion carried.

STRATEGIC PLANNING

Manager McCarthy stated the bylaw and board policy review will begin in January 2022.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy reported on the REVIVE 2030 meeting that was held on November 22nd in Colton, SD. Approximately 20 people attended the meeting. The next REVIVE 2030 meeting will be held in Hardwick, MN on January 20, 2022.

A Member Advisory Council meeting was held on November 18th. Topic discussed included SVE brand revitalization, district meetings, the Brandon building, Hartford office, and workplace management of COVID-19 at SVE. Discussion was held regarding COVID-19 and the vaccination rate of Sioux Valley Energy employees.

Manager McCarthy reviewed wholesale power purchases, sales, and revenue. He noted that there were 67 new service requests in October.

Manager McCarthy reported on key highlights from the East River General Manager's report including business development, DGC sale, Bakken energy update, West RTO update, supply chain issues, and cyber attacks in the industry.

ACCEPT MANAGER'S REPORT

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

Basin Annual Meeting – Directors Leuthold, Roskamp, Daniel, DeGreef and DeMent reported on their attendance of the Basin Annual meeting that was held in Bismarck, ND.

East River New Director Orientation – Directors DeGreef, Vostad, and Heinemann reported on their attendance of the East River New Director Orientation that was held in Madison, SD.

Legislative Luncheon – Directors Weinacht, Rogen, and Fish reported on their attendance of the Legislative Luncheon that was held in Sioux Falls, SD.

NOTICES OF MEETINGS, SELECTION OF DELEGATES, AND ATTENDANCE AUTHORIZATION

SDAC Co-op Director Training Program, January 6-7, 2022 Mitchell, SD - Directors DeGreef, Heinemann, and Vostad were authorized to attend by a motion made by Mr. Roskamp, seconded by Mr. Johnson. The motion carried.

SDREA Annual Meeting, January 13-14, 2022 Pierre, SD – All directors were authorized to attend, Director Weinacht was nominated to serve as the voting delegate with Director DeGreef as alternate by a motion made by Mr. Rogen, seconded by Mr. Daniel. The motion carried.

MREA Annual Meeting, March 15-16, 2022 St. Paul, MN – All directors were authorized to attend, Director Roskamp was nominated to serve as the voting delegate for all 2022 MREA membership meetings with Director Johnson as alternate by a motion made by Mr. Rogen, seconded by Dr. Heinemann. The motion carried.

OTHER BUSINESS

The February board meeting date conflicts with the South Dakota Co-op Day at the Capital. The February board meeting date was changed from February 22, 2022 to February 25, 2022.

EXECUTIVE SESSION

Mr. Weinacht made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Roskamp at 1:15 p.m. The motion carried. All directors were in attendance. The executive session adjourned at 2:30 p.m.

OTHER BUSINESS

In executive session, the board passed a motion to increase the Board's daily per diem from \$250 to \$300 and the monthly retainer from \$350 to \$400 effective December 1, 2021. Mr. Rogen made a motion to approve the daily per diem increase to \$300 and the retainer increase to \$400 effective December 1, 2021, seconded by Dr. Heinemann. A roll call vote was taken, and the motion passed with Mr. Leuthold and Mr. Daniel voting against.

A subcommittee will be formed to review SVE's director districts.

NEXT MEETINGS

The 2022 Work Plan and Budget meeting will be held on Monday December 20, 2021 at 8:30 a.m. The next regular board meeting will be held on Tuesday, December 21, 2021 at 8:30 a.m. Both meetings will be held in the Colman boardroom.

ADJOURNMENT

Mr. Weinacht made a motion, seconded by Mr. Leuthold to adjourn the Sioux Valley Energy board meeting at 2:40 p.m. The motion carried.

Don DeGreef, Secretary

Date Approved: _____