

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
June 22, 2020**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on June 22, 2020 commencing at 8:30 a.m. via teleconference. Teleconference was necessary due to the COVID-19 Pandemic.

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

Roll call showed the following members present:

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

All directors were present. Also present were Attorney Alan Peterson, General Manager Tim McCarthy, management staff members Betty VanDerWerff, Carrie Vugteveen, Ted Smith and Debra Biever along with Executive Assistant, Brenda Schelhaas.

REVIEW AND CONSIDERATION OF AGENDA

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

REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES

A motion to approve the corrected minutes of the May 26, 2020 regular board meeting was made by Mr. Rogen, 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. Johnson at 8:40 a.m. All directors were in attendance. Mr. DeMent made a motion to adjourn executive session at 9:45 a.m., seconded by Mr. Johnson. The motion carried. No action was taken in executive session.

Manager McCarthy asked that agenda item 17 Other Business be moved up on the agenda and discussed at this time.

CORSON INDUSTRIAL PARK

A motion was made by Mr. Martinson to reconsider the motion made at the May 26, 2020 board meeting regarding the Corson Industrial Park. Seconded by Mr. Rogen. The motion carried. A motion was made by Mr. Rogen to withdraw SVE's investment in the Corson Industrial Park at 150% (\$150,000) and reinvest \$150,000 in new development at Corson. This investment will consist of \$100,000 cash and \$50,000 credit for contribution in aid to construction for electric infrastructure installed up to the individual lots. The remaining \$50,000 cash will be invested in other economic development opportunities. The investment details will be outlined in a new written agreement with the Brandon Development Foundation. The intent of the Board is to invest for a specified period of time with the option to withdraw the investment and any returns at the end of the agreed upon duration. The motion was seconded by Mr. Martinson. The motion passed with Mr. DeMent and Mr. Kooima voting against.

ANNUAL BOARD REORGANIZATION/ELECTION OF OFFICERS

A motion was made by Mr. DeMent to cast a unanimous vote to elect the same officers (President-Allan Weinacht, Vice-President-Gary Fish, Secretary-Allan Kooima, Treasurer-Dave Daniel) to the Sioux Valley Energy Board of Directors as last year. Seconded by Mr. Leuthold. The motion carried.

BYLAW REVIEW AND FUTURE DIRECTOR ELECTIONS

Manager McCarthy and Carrie Vugteveen discussed the need for a bylaw review. One area that needs to be addressed is the SVE bylaw pertaining to the election method and timing to elect a board director. Staff will review the bylaws and bring recommendations to the board.

YEAR END PROJECTION

Betty VanDerWerff reviewed the 2020 operating budget year end projections. Her review included the original 2020 budget and the financial impact of lower sales, budget cuts and holding off the rate increase through August.

RATE POSTPONEMENT DISCUSSION

Manager McCarthy discussed postponing the rate increase. Manager McCarthy and Betty VanDerWerff are quite confident SVE can hold off a rate increase through August. We reviewed the Open Balance Register and it was noted that the past due accounts are lower than they were last year at this time. After the June financial data is available, the rate increase outlook will be reviewed.

AUDIT PROPOSAL

Manager McCarthy called upon Betty VanDerWerff to present the three-year proposal in the amount of \$20,820 per year from CliftonLarsonAllen, LLP for auditing and tax preparation services. Mr. Fish made a motion to approve the three-year proposal from CliftonLarsonAllen, LLP, seconded by Mr. DeGreef. The motion carried.

RESCO DIRECTOR ELECTION

Manager McCarthy stated there is one candidate running for the Rural Electric Supply Cooperative (RESCO) director position. SVE has received the 2020 Board Election Ballot and Mr. Weinacht will cast the ballot prior to the August 16, 2020 deadline.

SIOUX VALLEY ENERGY RELIEF FUND FOR SMALL BUSINESSES

Manager McCarthy called upon Carrie Vugteveen to discuss the Small Business Relief Fund. Carrie reviewed the original proposal from the May 26, 2020 board meeting and the new staff proposal. The new proposal would provide \$15,000 Residential Assistance, \$15,000 Business/Commercial Assistance, \$60,000 Rate Increase Offset and \$41,000 Community/Organizational Donations. A motion was made by Mr. Kooima to approve the proposal, seconded by Mr. Martinson. Further discussion was held regarding flexibility to adjust the dollar amounts based on needs that are seen. Mr. Kooima revised his motion to approve \$131,000 of which \$60,000 will be used to directly offset the rate increase. The remaining \$71,000 to be used to assist members and community organizations. Mr. Martinson amended his second. The motion carried.

STRATEGIC PLANNING

No discussion was held concerning strategic planning.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy reviewed key highlights of his written report including wholesale power purchases, sales and revenue.

Manager McCarthy reviewed the requests for new services and noted the requests are much higher than anticipated.

ACCEPT MANAGER'S REPORT

A motion to accept the Manager's Report was made by Mr. Daniel, seconded by Mr. Leuthold. 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 the L & O board meeting.

REPORTS ON MEETINGS ATTENDED

There were no meetings attended this past month.

NOTICES OF MEETINGS, SELECTION OF DELEGATES AND ATTENDANCE AUTHORIZATION

L & O Special Meeting-Director Leuthold was authorized to attend the L & O Special Meeting, June 24, 2020 per a motion made by Mr. Johnson, seconded by Mr. Fish. The motion carried.

East River Resolutions Committee Meetings-Director DeGreef was authorized to attend the East River Resolutions Committee Meetings on July 13, 2020 in Madison, SD and September 9, 2020 in Sioux Falls, SD per a motion by Mr. DeMent, seconded by Mr. Kooima. The motion carried.

SDREA Legal Seminar-Attorney Peterson was authorized to attend the SDREA Legal Seminar, July 15-16, 2020 in Pierre, SD per a motion by Mr. DeMent, seconded by Mr. Johnson. The motion carried.

MREA District 5 Meeting-Director Johnson was authorized to attend the MREA District 5 Meeting to be held via teleconference on July 16, 2020 per a motion by Mr. Martinson, seconded by Mr. Daniel. The motion carried.

SDREA Board Leadership Summit-Director Daniel was authorized to attend the SDREA Board Leadership Summit, July 27-28, 2020 in Pierre, SD per a motion by Mr. DeMent, seconded by Mr. Kooima. The motion carried.

Energy Issues Summit-Director Martinson and Director Roskamp were authorized to attend the Energy Issues Summit, August 19-20, 2020 in Bloomington, MN per a motion by Mr. Rogen, seconded by Mr. Daniel. The motion carried.

East River Annual Meeting-Director Fish and Director Kooima were authorized to attend the East River Annual Meeting, September 9, 2020 in Sioux Falls, SD and Director Fish was nominated to serve as the voting delegate with Director Kooima as alternate per a motion made by Mr. Leuthold, seconded by Mr. Martinson. The motion carried.

NEXT MEETING

The next regular board meeting will be held on Monday, July 27, 2020 at 8:30 a.m.

ADJOURNMENT

Mr. DeMent made a motion, seconded by Mr. Martinson to adjourn the Sioux Valley Energy board meeting at 11:20 a.m. The motion carried.

Allan Kooima, Secretary

Approved: _____