

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.  
May 26, 2020**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on May 26, 2020 commencing at 8:20 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. Manager McCarthy asked that the order for agenda items 7 Rate Postponement Discussion and 8 Director Expense Budget be switched. A motion to approve the agenda with this change was made by Mr. DeMent, seconded by Mr. Fish. The motion carried.

**REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES**

A motion to approve the minutes of the April 20, 2020 regular board meeting was made by Mr. Fish, seconded by Mr. Martinson. The motion carried.

Due to the electronic meeting platform, President Weinacht called upon General Manager McCarthy to preside over the remainder of the meeting.

**NEW EMPLOYEE INTRODUCTION**

Carrie Vugteveen introduced Brenda Kleinjan, SVE's new Communications Specialist. Brenda was previously employed by SDREA. She started her new duties on May 15 and is looking forward to working with the SVE membership.

### 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 for May and June. Basin, L & O and East River capital credit retirements are included in these projections. Betty then reviewed the electric accounts receivable open balance register. She noted that the open balance register is lower than last year at this time.

### DIRECTOR EXPENSE BUDGET

Mr. Kooima, Mr. Weinacht, Mr. Daniel, Manager McCarthy and Betty VanDerWerff met to discuss the director expense budget. The committee reviewed the events that have been canceled and expenditures year to date. They also recommended having a maximum of two directors attend planned events for the remainder of this year. The revised director expense budget is estimated to save about \$98,000. A motion was made by Mr. DeGreef to accept the revised director expense budget. Seconded by Mr. Kooima. The motion carried.

### RATE POSTPONEMENT DISCUSSION

Manager McCarthy discussed postponing the rate increase longer than June. With the additional board budget cuts and bill credits from East River, Manager McCarthy and Betty VanDerWerff are confident SVE can hold off a rate increase through July. Manager McCarthy mentioned he would like to postpone the increase until September if at all possible since that is generally a lower usage month and hopefully we will be through the COVID-19 Pandemic peak. Manager McCarthy also discussed having an early capital credit retirement for SVE members. After the May financial data is available, the rate increase outlook as well as the capital credit retirement will be reviewed.

### CORSON INDUSTRIAL PARK

Manager McCarthy, Carrie Vugteveen, Jay Buchholz and Betty VanDerWerff had a call with Dennis Olson from Brandon Economic Development regarding the Corson Industrial Park. The park is nearly full and they are in discussions on how the original investors move forward. SVE committed \$100,000 to this project in 1999 and has earnings of approximately \$76,000 from this investment. Discussion was held regarding potential uses for these funds in other parts of the SVE service territory. A motion was made by Mr. DeMent to withdraw the original investment of \$100,000. Seconded by Mr. Roskamp. The motion carried.

### SIOUX VALLEY ENERGY RELIEF FUND FOR SMALL BUSINESSES

The Staff budget exercise that was completed in April identified approximately \$130,000 that could potentially be reallocated to help members with their electric bills. During the month of May, SVE's Emergency Assistance Fund, which provides assistance to residential members, was increased from \$2,500 to \$17,500 and the maximum benefit per membership increased from \$150 to \$250. Discussion was held regarding the remaining

\$115,000 and what SVE could potentially do to help small businesses. A Small Business Energy Relief Fund was proposed for small businesses in the SVE territory. Staff would review each application that met the eligibility requirements and determine the assistance amount. A motion was made by Mr. Martinson to approve the Small Business Energy Relief fund as proposed. Seconded by Mr. Fish. Further discussion was held and Staff was asked to rethink the program and make modifications. Mr. Martinson withdrew his original motion. Mr. Fish rescinded his second. Staff was asked to bring back other options to be considered.

COMMUNITY ROOMS

Effective March 1, 2020, SVE had begun to limit member use of community rooms to after business hours only. This decision was made after input from the Member Advisory Council about prioritizing SVE business needs for the rooms over member requests for the rooms. Several times in the past there have been scheduling conflicts due to one of the rooms being committed to a member at the same time the room was needed for SVE use. Both community rooms have been closed to members since March 16 due to the COVID-19 Pandemic. Discussion was held regarding employees' safe return to the workplace and the need for rooms with extra meeting space. The need for future office space was also considered. A motion to permanently close the community rooms to the public was made by Mr. Rogen. Seconded by Mr. Leuthold. The motion carried.

DISTRICT MEETING PREPARATION

Carrie Vugteveen presented plans that have been made to hold the District 5, 6, 7 and 9 Election Meetings via conference call. The SVE bylaws require a meeting in order to elect a Board Director. To meet the bylaws requirement while following social distancing recommendations, SVE plans to hold these meetings via conference call on June 2 and June 4. Letters with login information have been sent to all members in each district. The District Meeting script was also reviewed.

REVIEW AND CONSIDERATION OF DISTRICT MEETING CREDENTIAL COMMITTEE

The credential and election committee willing to serve for the election meetings that will be held for Districts 5, 6, 7 and 9 were presented. The same committee will serve for all four elections. The committee members will meet on June 1 via conference call to review the petitions. Mr. DeMent made a motion to approve the following credential and election committee, seconded by Mr. Daniel. The motion carried.

Districts 5, 6, 7 and 9

Marvin VanKekerix  
Dian Hoven  
Jed Huisman  
Jake Droge

Duane Harvey  
Elisabeth Roelofs  
Nancy Hinricher

### BOARD CHAIR TERMS

Manager McCarthy provided clarification on the wording in BOP 8-101. A question had arisen regarding the number of terms a Director could hold the office of Board President. No Director is eligible to succeed him/herself as President more than two successive times; therefore, a Director can be Board President three terms total.

### STRATEGIC PLANNING

Manager McCarthy discussed education items focusing on the short term this year. SVE will need to examine its business environment coming out of the COVID-19 Pandemic. The balanced scorecard may need to be reviewed and potentially some items added. Due to current social distancing guidelines, it is difficult to plan a strategic planning session. A brainstorming session could possibly be held after a board meeting later this fall or early next year.

### 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 gave an update on the REED fund. They are still seeing economic development during this pandemic.

Manager McCarthy reviewed the East River General Manager's report. He noted that East River has taken measures to safeguard their employees during the pandemic while still continuing their construction and maintenance programs. The Rocky Mountain Oyster Feed was postponed due to the pandemic. East River is considering hosting a virtual auction for the items that were donated to the Oyster Feed.

Manager McCarthy gave an update on the butterfly habitat program. During the line item budget review process in April, cutting this program from the 2020 budget had been considered. However, the seed for the program had already been purchased. This program in conjunction with the SD Game Fish and Parks will take place this year.

Manager McCarthy discussed the SVE return to work plan. The goal was to create a plan that is reasonable and sustainable. Recommendations from the Centers for Disease Control along with state and local health departments have been followed. Employees will return to work in three phases with the first phase returning to the office on June 1. Additions to onsite staffing will be determined as SVE moves forward and continues to evaluate conditions. The Safer Return to Work Playbook has been reviewed with the supervisor group and all employees will be trained at the May Safety Meeting.

### ACCEPT MANAGER'S REPORT

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

FERC INTERVENTION FILING

Manager McCarthy gave an update on the FERC intervention filing. A motion was made by Mr. Martinson, seconded by Mr. Kooima to authorize Manager McCarthy to file the FERC intervention filing.

REPORTS ON POWER SUPPLY MEETINGS

East River – Mr. DeMent reported on the East River board meeting that was held via teleconference.

L & O Power – Mr. Leuthold reported on the L & O board meeting that was held via teleconference.

REPORTS ON MEETINGS ATTENDED

There were no meetings attended this past month.

NOTICES OF MEETINGS AND AUTHORIZATIONS, SELECTION OF DELEGATES/ATTENDANCE

- Canceled-CoBank Energy Directors Conference, July 13-15, Colorado Springs, CO
- MREA District 5 Meeting, July 16, Online Event
- SDREA Board Leadership Summit, July 27-28, Pierre, SD
- Energy Issues Summit, August 18-20, Bloomington, MN
- NRECA Regions 5 & 6 Meeting, September 15-17, Des Moines, IA

EXECUTIVE SESSION

Mr. Leuthold made a motion to move into executive session, seconded by Mr. Daniel at 11:45 a.m. to discuss internal cooperative business. Mr. DeMent made a motion to adjourn executive session at 11:55 a.m. seconded by Mr. Martinson. The motion carried.

OTHER BUSINESS

Discussion was held regarding identifying the Hartford building as Sioux Valley Energy property. Staff will look into providing some signage for the property.

NEXT MEETING

The next regular board meeting will be held on Monday, June 22, 2020 at 8:20 a.m. via teleconference.

ADJOURNMENT

Mr. DeMent made a motion, seconded by Mr. Roskamp to adjourn the Sioux Valley Energy board meeting at 12:05 p.m. The motion carried.

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Allan Kooima, Secretary

Approved: \_\_\_\_\_