

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
October 24, 2023**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on October 24, 2023 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
Don DeGreef	Lucas Roskamp	Mark Rogen (remote)
Gregg Johnson	Dr. Leslie Heinemann	

Also present were Attorney Mike Nadolski, General Manager Tim McCarthy, Strategic Leadership Team members Ted Smith, Kimberlee Hansen, Jason Maxwell, Justin Moose, and Carrie Vugteveen along with Executive Assistant, Brenda Schelhaas. Guests in attendance were Toni Kruger and Monte Albertson.

INTRODUCTION OF GUEST

President Fish introduced District 6 Member Advisory Council member Monte Albertson.

REVIEW AND CONSIDERATION OF AGENDA

The agenda was presented for consideration. President Fish stated there will not be a second Executive Session. A motion to approve the amended agenda was made by Dr. Heinemann, seconded by Mr. Johnson. The motion carried.

REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES

A motion to approve the minutes of the September 22, 2023 regular board meeting was made by Mr. Roskamp, seconded by Mr. Weinacht. The motion carried.

REVIEW AND CONSIDERATION OF PROPOSED WRITE-OFF OF UNCOLLECTABLE ACCOUNTS

Manager McCarthy called upon Toni Kruger to review the proposed write-off of uncollectable electric energy and miscellaneous receivable/loan accounts. The total write-off amount is \$16,767.47 compared to \$12,056.27 in 2022. SVE will retain \$7,226.79 in unretired capital credits to offset part of this write-off, resulting in a net write-off of \$9,540.68. A motion was made by Mr. Johnson to approve the proposed write-off of uncollectable accounts, seconded by Mr. Daniel. The motion carried.

REVIEW AND CONSIDERATION OF UPDATE TO THE BASIN LOAD FORECAST FOR SIOUX VALLEY ENERGY

Manager McCarthy called upon Ted Smith to review the 2024 update to the 2023 Basin load forecast for the time period from 2024 to 2050. Mr. Daniel made a motion to approve

the 2024 Update to the 2023 Load Forecast resolution, seconded by Mr. Leuthold. The motion carried.

WHEREAS, Basin Electric Power Cooperative has completed a detailed forecast of total demand and energy requirements for the period of 2024 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 2024 Update to the 2023 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 RESOLUTION – GENERAL RETIREMENT AND FORFEITURE OF UNCLAIMED CAPITAL CREDITIS

Manager McCarthy called upon Jason Maxwell to present a proposed resolution for the 2023 general capital credit retirement and declaration of forfeiture of unclaimed capital credits. The resolution included a \$2,192,000 general retirement of capital credits along with forfeiture of unclaimed capital credits retired in 2017. Dr. Heinemann made a motion to approve the \$2.192 million general capital credit retirement and the forfeiture of the 2017 unclaimed capital credits, seconded by Mr. Johnson. 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 2022 in the amount of \$2,192,000,

AND BE IT FURTHER RESOLVED; that the Board of Directors of Sioux Valley Energy declares the forfeiture of unclaimed capital credits retired in 2017 to South Dakota accounts unless claimed within six months from the date of this resolution or notification required by the state.

EXECUTIVE SESSION

Mr. Weinacht made a motion to move into executive session at 9:50 a.m. to discuss internal cooperative business, seconded by Mr. Daniel. The motion carried. The executive session adjourned at 10:07 a.m.

APPROVAL OF MARKET RATE TARIFFS

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

REED LOAN

Jason Maxwell presented a REED loan request. The request was for \$1,180,061. Discussion was held and a motion was made by Mr. Weinacht to approve the REED loan application for \$1,180,061, seconded by Mr. Johnson. The motion carried.

REVIEW AND CONSIDERATION OF ATTORNEY'S QUARTERLY EXPENSE STATEMENT

Executive Assistant, Brenda Schelhaas, presented the quarterly expense statement for Attorney Nadolski. A motion to approve payment of the Attorney's expense statement for July through September 2023 in the amount of \$15,271.46 was made by Dr. Heinemann, seconded by Mr. Weinacht. 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 2023 and found all expenses to be in order. The report was accepted, and payment of the General Manager's statement in the amount of \$1,940.19 was approved per a motion made by Mr. Daniel, seconded by Mr. Roskamp. The motion carried.

BOARD REPRESENTATIVE TO SVE SCHOLARSHIP SELECTION COMMITTEE

Carrie Vugteveen asked for a volunteer from the Board to serve on the scholarship committee. Mr. Leuthold volunteered to serve on the committee. Dr. Heinemann made a motion to approve Mr. Leuthold as this year's board scholarship committee member, seconded by Mr. Daniel. The motion carried.

BRANDON SERVICE CENTER UPDATE

Ted Smith gave an update on the Brandon building project. Ted stated that there has been lots of progress and the project is on schedule and on budget at this time.

POLICY REVIEW

The Board tabled the review of Board Operating Guide (BOG) 8-7 Director Compensation and Benefits until the November 2023 board meeting.

BOARD RETREAT

President Fish verified that all board members had received a survey from the board retreat facilitator, Mitch Majeski. The retreat will be held on November 9, 2023 at 8:30 a.m. in the Colman boardroom.

STRATEGIC PLANNING SCORECARD

Manager McCarthy presented the Strategic Planning Scorecard and discussed the objectives, initiatives, and the current status of those initiatives.

STRATEGIC PLANNING

Manager McCarthy discussed a Strategic Leadership Team retreat that was held on October 23, 2023. The retreat session focused on organizational planning for the future. Within the next six years there will be several retirements that will impact all facets of the organization. As part of this session, employee development and preparation were discussed.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy reviewed wholesale power purchases, sales, and revenue. He then discussed the revenue and expense statement and the consolidated statement. He noted that the overall system CP for September 2023 was 163.5 MW which set a new all-time peak for the month of September.

Manager McCarthy presented key highlights of the East River General Manager's report including RUS issuing a \$200 million commitment letter, Basin financials, Mid-West Electric Consumers Association meetings, and the announcement of Sioux Metro Growth Alliance's new President and CEO.

ACCEPT GENERAL MANAGER'S REPORT

A motion to accept the General Manager's Report was made by Mr. DeGreef, seconded by Mr. Weinacht. The motion carried.

VOLTAGE REGULATOR DEMONSTRATION

Manager McCarthy called upon Chris Graff, System Engineer, to give a presentation on how a voltage regulator operates.

REPORTS ON POWER SUPPLY MEETINGS

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

L&O Power – Director Roskamp reported on his attendance of the L&O Power board meeting.

REPORTS ON MEETINGS ATTENDED

SDREA Board Meeting – Director Daniel reported on his attendance of this meeting.

Economic Outlook Seminar – Director DeGreef reported on his attendance of this seminar.

NOTICES OF MEETINGS, SELECTION OF DELEGATES, AND ATTENDANCE AUTHORIZATION

SVE/SEC Legislative Forum, November 21, 2023 Sioux Falls – All directors were authorized to attend by a motion made by Mr. Weinacht, seconded by Mr. Daniel. The motion carried.

BLC 901.1 Rules and Procedures for Effective Board Meetings, November 29, 2023, Pierre, SD – Director Leuthold was authorized to attend by a motion made by Mr. Roskamp, seconded by Mr. DeGreef. The motion carried.

OTHER BUSINESS

There was no other business.

NEXT MEETING

The next regular board meeting will be held on Tuesday, November 28, 2023 at 8:30 a.m. in the Colman boardroom.

ADJOURNMENT

Mr. Roskamp made a motion to adjourn the Sioux Valley Energy board meeting at 1:23 p.m., seconded by Mr. DeGreef. The motion carried.

Donald DeGreef, Secretary

Date Approved: _____