

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.  
January 22, 2024**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on January 22, 2024 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
Lucas Roskamp	Mark Rogen	Don DeGreef
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.

**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. Leuthold. The motion carried.

**REVIEW AND CONSIDERATION OF MEETING MINUTES**

A motion to approve the minutes of the December 18, 2023 regular board meeting and the December 18, 2023 Work Plan and Budget meeting was made by Mr. Rogen, seconded by Mr. Johnson. The motion carried.

**EXECUTIVE SESSION**

Mr. Weinacht made a motion to move into executive session at 8:35 a.m. to discuss internal cooperative business, seconded by Mr. Daniel. The motion carried. The executive session adjourned at 10:00 a.m.

President Fish left the meeting and called upon Vice President Leuthold to preside over the meeting.

**INTRODUCTION OF GUESTS**

Mr. Rogen introduced District 6 Member Advisory Council members Paul Hess, Duane Harvey, and Yannick Laroche.

**PRE-AUDIT BOARD/AUDITOR DISCUSSION**

A teleconference with Craig Popenhagen from the Cooperative's auditing firm, CliftonLarsonAllen, LLP was held. Mr. Popenhagen provided information on the upcoming annual financial audit for Sioux Valley Energy including areas of focus, staff engagement, and fraud procedures. He also noted there is a new accounting standard regarding Current Expected Credit Loss (CECL). The audit will be conducted the week of March 18, 2024.

DIRECTOR INSURANCE

Kimberlee Hansen reviewed the directors' current Business Travel Accident Insurance, 24-Hour Accident Insurance (AD&D Only), Group Term Director Life and AD&D Insurance, and Directors, Officers, and Managers (DOM) Liability and Corporate Indemnification Policy. Discussion was held, and the Board requested additional information be provided at the March board meeting regarding raising the liability amount of the DOM insurance. The other insurance policies will be reviewed again at the August 2024 board meeting.

ECONOMIC DEVELOPMENT UPDATE

Manager McCarthy called upon Brandon Lane to provide an economic development and REVIVE 2030 program update. He reviewed many projects that have begun or are in the development phase throughout the Sioux Valley Energy footprint.

LEWIS AND CLARK REGIONAL WATER SYSTEM 2024 RATE INCREASE

Jason Maxwell provided information regarding a rate increase for the Lewis and Clark Regional Water System. Discussion was held and Mr. Rogen made a motion to approve the rate increase as presented, seconded by Mr. Johnson. The motion carried.

REVIEW AND CONSIDERATION OF THE RUS LABOR ONLY OVERHEAD CONSTRUCTION CONTRACT

Manager McCarthy called upon Ted Smith to present the proposed labor only contract for overhead construction work for 2024. Pricing analysis was done for two contractors, and discussion was held by the Board. Mr. Roskamp made a motion to authorize the Board President and Secretary to execute one-year labor only contracts to Legacy Power Line and Highline Construction on a non-bid basis, seconded by Mr. Weinacht. The motion carried.

STRATEGIC PLANNING

No discussion was held regarding strategic planning.

REVIEW AND CONSIDERATION OF STRATEGIC PLANNING SESSION DATE

Possible dates for the 2024 Strategic Planning Session were discussed. A motion was made by Mr. Rogen to hold the 2024 Strategic Planning Session on June 20, 2024, seconded by Mr. DeGreef. The motion carried. Manager McCarthy asked that the Board continue to think about topics for this session.

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 October through December 2023 in the amount of \$6,720.69 was made by Mr. Daniel, seconded by Dr. Heinemann. 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 October through December 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 \$2,099.21 was approved by a motion made by Mr. Daniel, seconded by Ms. Vostad. The motion carried.

REVIEW AND CONSIDERATION OF DISTRICT MEETINGS AND ANNUAL MEETING CREDENTIALS AND ELECTION COMMITTEES

The credentials and election committees willing to serve for the district meetings were presented along with the credentials and election committee for the annual meeting. Dr. Heinemann made a motion to approve the following credential and election committees, seconded by Mr. Weinacht. The motion carried.

District #3 – Monday, February 26

- Darnell Albers
- Mark Berkland
- Tom Davis
- Henning Hansen
- John Kleinjan
- Jim McGuire
- Marvin Post
- Robert Short
- Keith VanDuyn
- Kevin Vostad

District #1 – Monday, March 25

- Darnell Albers
- Mark Berkland
- Tom Davis
- Henning Hansen
- John Kleinjan
- Jim McGuire
- Marvin Post
- Robert Short
- Keith VanDuyn
- Kevin Vostad

District #8 – Tuesday, March 26

- Jan Bobendrier
- Tony Gacke
- Melvin Hamann
- Connie Hillard
- Nancy Hinricher
- Ivan Kuhlman
- Dan Niemeyer
- Elisabeth Roelofs
- Clark Stoel
- Scott Wassink

Annual Meeting, June 11

- Jan Bobendrier
- Tom Davis
- Connie Fitzgerald
- Tony Gacke
- Henning Hansen
- Jim McGuire
- Dan Niemeyer
- Marvin Post
- Elisabeth Roelofs
- Scott Wassink

DISTRICT MEETINGS

Manager McCarthy called upon Carrie Vugteveen to give an overview of the topics that will be discussed at the district meetings this year. Main topics of discussion include the April 1, 2024 rate increase, reliability/RTOs, and commitment to community.

REVIEW AND CONSIDERATION OF THE MINNESOTA COGENERATION FILING AND REPORT

Manager McCarthy called upon Justin Moose to review the documents for the 2024 Minnesota annual cogeneration filing and report. Mr. Weinacht made a motion to approve

the 2024 Minnesota annual cogeneration filing and the 2024 Minnesota annual cogeneration report, seconded by Ms. Vostad. 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. He also reviewed the change orders that have been needed and the costs associated with the changes.

#### REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy reviewed wholesale power purchases, sales, revenue, and the 2023 work order status report. He informed the Board that the 2024 standard IRS mileage reimbursement rate is now 67 cents per mile up from 65.5 cents per mile in 2023. Manager McCarthy then reminded the Board to complete the 990 questionnaires and return them to Brenda Schelhaas.

There was no Safety and Wellness Report due to the January Safety Steering Committee meeting being postponed due to the weather.

Manager McCarthy presented key highlights of the East River General Manager's report including Basin financials and the East River depreciation study.

Carrie Vugteveen provided an update on legislative activities.

#### ACCEPT GENERAL MANAGER'S REPORT

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

#### REPORTS ON POWER SUPPLY MEETING

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 at this meeting.

SDREA Annual Meeting – Director DeGreef reported on his attendance at this meeting.

MREA BLC Summit – Director Roskamp reported on his attendance of these classes.

South Dakota Corn Conference – Directors Daniel and DeMent reported on their attendance at this meeting.

NOTICES OF MEETINGS, SELECTION OF DELEGATES, AND ATTENDANCE AUTHORIZATION

BLC 925.1 Co-op Bylaws: Guiding Principles and Current Issues, January 18-19, 2024 Virtual – Director Vostad was retroactively authorized to attend by a motion made by Mr. Roskamp, seconded by Mr. DeMent. The motion carried.

L&O Power Coop Annual Meeting, April 2, 2024 Worthington, MN – All directors were authorized to attend by a motion made by Mr. DeMent, seconded by Mr. Weinacht. The motion carried. Director DeMent was nominated to serve as the voting delegate and Director Weinacht as the alternate by a motion made by Mr. Johnson, seconded by Mr. Daniel. The motion carried.

NRECA Directors Conference, April 6-9, 2024 Nashville, TN – All directors were authorized to attend by a motion made by Mr. Roskamp, seconded by Mr. Weinacht. The motion carried.

MREA Grassroots Day, April 10, 2024 St. Paul, MN – All directors were authorized to attend by a motion made by Mr. DeMent, seconded by Mr. Roskamp. The motion carried.

NRECA Legislative Conference, April 21-24, 2024 Washington, DC – All directors were authorized to attend by a motion made by Mr. DeMent, 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, February 27, 2024 at 8:30 a.m. in the Colman boardroom.

ADJOURNMENT

Mr. Weinacht made a motion to adjourn the Sioux Valley Energy board meeting at 2:25 p.m., seconded by Mr. Roskamp. The motion carried.

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Donald DeGreef, Secretary

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