

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
August 27, 2024**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on August 27, 2024 commencing at 8:30 a.m. in the Colman boardroom.

The meeting was called to order by President Dan Leuthold who presided and Don DeGreef, Secretary, acted as Secretary.

Roll call showed the following members present:

Don DeGreef	Dan Leuthold	Allan Weinacht
Ann Vostad	Dave Daniel	Gary Fish
Lucas Roskamp	Mark Rogen	Rodney DeMent
Leslie Heinemann	Gregg Johnson	

Also present were Attorney Mike Nadolski, General Manager Tim McCarthy, Strategic Leadership Team members Ted Smith, Jason Maxwell, Justin Moose, Kimberlee Hansen, and Carrie Vugteveen along with Executive Assistant, Brenda Schelhaas. The guest in attendance was Cathy Feste.

INTRODUCTION OF NEW EMPLOYEE

Chinelle Christensen introduced Sam Berninzoni, Environmental Specialist. Sam joined the team on August 1.

REVIEW AND CONSIDERATION OF AGENDA

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

REVIEW AND CONSIDERATION OF MEETING MINUTES

A motion to approve the minutes of the July 25, 2024 regular board meeting was made by Mr. Fish, seconded by Mr. DeGreef. The motion carried.

EXECUTIVE SESSION

Mr. Weinacht made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Johnson at 8:33 a.m. The motion carried. The executive session adjourned at 8:50 a.m.

REVIEW AND CONSIDERATION OF OPERATION ROUND UP BOARD OF TRUSTEES

The Board of Directors considered the appointment of Bonnie Dybedahl, Minnehaha County to the Customer Trust Board of Trustees. Ms. Vostad made a motion to approve the appointment of Bonnie Dybedahl, seconded by Mr. Weinacht. Bonnie Dybedahl's term will begin in December 2024 when Jeff Thompson retires from the Customer Trust Board of Trustees. The motion carried.

REVIEW AND CONSIDERATION OF JANUARY 2025 BOARD MEETING DATE

The Board of Directors considered changing the January 2025 board meeting date due to a conflict with the Winter DC Legislative Visit and the NRECA Directors Conference. Discussion was held and the January 2025 board meeting will be held on January 28 as scheduled.

REVIEW AND CONSIDERATION OF MAC MEETING DATE

Brenda Schelhaas presented two potential dates to hold a Member Advisory Council (MAC) meeting. Mr. Roskamp made a motion to approve September 19, 2024 as the next MAC meeting date, seconded by Mr. Daniel. The motion carried.

BRANDON SERVICE CENTER UPDATE

Ted Smith gave an update on the Brandon building project. Ted reviewed the change orders that have been needed and the costs associated with the changes which are estimated to exceed the budgeted amount by \$87,484.36. Discussion was held regarding updating the original Brandon building interior at a cost of \$261,700.00 to match the new addition. Mr. Fish made a motion to approve moving forward with updating the original Brandon building interior subject to a capital budget reduction in the amount of \$349,184.36, seconded by Mr. Rogen. The motion carried. Ted Smith will provide the Board with the capital budget reduction information at the September board meeting.

BOARD BUDGET DISCUSSION

President Leuthold led a discussion regarding the Board of Directors 2025 budget. The Board provided the Strategic Leadership Team with direction to keep the same budget level as 2024.

POLICY REVIEW

Manager McCarthy reviewed Board Policy 3 and Board Operating Guides 3-1 and 3-3. Dr. Heinemann made a motion, seconded by Ms. Vostad, to approve the board policy and board operating guides. The motion carried.

EXECUTIVE SESSION

Mr. Daniel made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Fish at 10:03 a.m. The motion carried. The executive session adjourned at 12:13 p.m.

STRATEGIC PLANNING

Manager McCarthy discussed the Board's July strategic planning session recommendation that an additional core strategy be added to the Balanced Scorecard. The Board approved adding Core Strategy 6 which states that Sioux Valley Energy will "Engage with power suppliers to allow flexibility to meet member needs and expectations".

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Carrie Vugteveen discussed plans to hold a Christmas Open House at the Brandon Service Center. Carrie will find a date and bring it back to the Board next month.

Manager McCarthy reviewed his recent article in the Cooperative Connections regarding upcoming rate increases. A rate video will also be produced.

Manager McCarthy discussed a project that Terry Ebright has been working on. As a way of advancing SVE's Safety Culture to the next level, Terry reached out to Ken Macken, Director of Safety at NRECA. Ken sent a list of cooperatives from around the nation that he feels have a similar safety culture as SVE. Terry will contact these organizations to see if they would be interested in collaborating with SVE via ZOOM meetings to share ideas that everyone may benefit from to become even better and stronger in the way of safety.

Manager McCarthy called upon Jason Maxwell to review his research on the cost comparison between RUS borrowing and CFC/CoBank borrowing. Jason explained that while there are many more requirements for RUS funding, the RUS interest rates are so much lower that SVE isn't able to justify switching to a different provider such as CFC or CoBank.

Manager McCarthy presented key highlights of the East River General Manager's report including the Basin FERC proceeding on 2020 and 2021 rates, Basin's FERC proceeding on 2022-2024 rates, Basin crypto and large load rates, data center information, an increase in software vulnerabilities, and the D.C. Circuit's rejection of a stay request.

Manager McCarthy reviewed wholesale power purchases, sales, revenue, and the revenue and expense statement.

ACCEPT GENERAL MANAGER'S REPORT

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

REPORT ON POWER SUPPLY MEETING

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

REPORTS ON MEETING ATTENDED

SDAC Co-op Conference and Annual Members' Meeting – Director DeMent reported on his attendance at this meeting.

BLC 965.1 Electric Vehicles: Strategy and Policy Considerations – Director Johnson reported on his attendance at this leadership class.

MREA Energy Issues Summit – Director Johnson reported on his attendance at this summit.

Basin Electric Annual Meeting – Directors DeGreef, Johnson, and Roskamp reported on their attendance at this meeting.

SDREA Board Leadership Summit – Directors DeGreef and Weinacht reported on their attendance at this summit.

NOTICES OF MEETINGS, SELECTION OF DELEGATES, AND ATTENDANCE AUTHORIZATION

Mid-West Electric Consumers Association Annual Meeting, December 10-12, 2024 Denver, CO – All directors were authorized to attend per a motion made by Mr. DeGreef, seconded by Mr. Fish. The motion carried.

NEXT MEETING

The next regular board meeting will be held on Monday, September 30, 2024 at 8:30 a.m. in the Colman boardroom.

ADJOURNMENT

Mr. Fish made a motion to adjourn the Sioux Valley Energy board meeting at 2:05 p.m., seconded by Mr. Roskamp. The motion carried.

Donald DeGreef, Secretary

Date Approved: _____