

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
January 26, 2023**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on January 26, 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
Gregg Johnson	Dr. Leslie Heinemann	

Also present were Attorney Mike Nadolski, General Manager Tim McCarthy, Strategic Leadership Team members Debra Biever, Ted Smith, 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. Leuthold, seconded by Mr. Rogen. The motion carried.

REVIEW AND CONSIDERATION OF MEETING MINUTES

A motion to approve the minutes of the December 15, 2022 regular board meeting and the December 15, 2022 Work Plan and Budget meeting was made by Mr. DeGreef, seconded by Mr. Weinacht. The motion carried.

COST OF SERVICE STUDY

Nick Nelson from Power System Engineering (PSE) provided information via teleconference on the Cost-of-Service Study (COSS) process. Sioux Valley Energy is currently undergoing a full Cost-of-Service Study. The purpose of the COSS is to forecast how much revenue will be required based on projected power costs and the current work plan through 2027. The COSS also looks at rate design and shows if rate adjustments are needed to recover enough revenue from each rate class. Nick Nelson will be sharing the results of the COSS at a future board meeting.

REED LOAN

Manager McCarthy presented a request for a \$64,800 REED loan. Discussion was held and a motion as made by Mr. Rogen to approve the REED loan for \$64,800, seconded by Mr. Roskamp. The motion carried.

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 the recording of leases. The audit will be conducted the week of March 20, 2023.

BRANDON SERVICE CENTER

Manager McCarthy called upon Ted Smith to provide information regarding the Brandon Service Center addition and remodeling. Ted showed a breakdown of the costs for the project. Discussion was held by the Board and Mr. Rogen made a motion to move forward with procuring bids for the expansion of the Brandon Service Center to include a training center with 204 seats. The motion was seconded by Dr. Heinemann. Mr. Daniel made an amendment to the motion removing the 204-seat training center from the motion. The amendment died due to a lack of a second. The original motion passed with Mr. Daniel voting against.

DISTRICT MEETINGS

Carrie Vugteveen reviewed the District Meeting program agenda. Topics to be covered at the 2023 district meetings include SVE’s rate picture, an explanation of demand, beneficial electrification, growth of service territory, and safety.

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. Mr. Daniel made a motion to approve the following credential and election committees, seconded by Mr. DeGreef. The motion carried.

District #9 – Thursday, February 23

Bonnie Dybedahl
Tony Gacke
Henning Hansen
Connie Hillard
Nancy Hinricher
Marvin Laackman
Elisabeth Roelofs
Matthew VanGrootheest
Scott Wassink
Arlyn Zylstra

District #7 – Tuesday, March 14

Greg Benda
Cheri DeMent
Jake Droge
Bonnie Dybedahl
Kevin Eigenberg
Duane Harvey
Paul Hess
Nancy Hinricher
Jeff Thompson
Marvin VanKerkerix

District #5 – Monday, March 20

Cherie DeMent
Jake Droge
Bonnie Dybedahl
Kevin Eigenberg
Duane Harvey
Paul Hess
Dian Hoven
Floyd Snoozy

District #6 (Rogen) – Thursday, March 23

Monte Albertson
Harry Buck
Kevin Eigenberg
Tony Gacke
Duane Harvey
Paul Hess
Connie Hillard
Nancy Hinricher

Jeff Thompson
Marvin VanKerkerix

Scott Wassink
Arlyn Zylstra

Annual Meeting – Tuesday, June 6

Monte Albertson
Greg Benda
Jan Bobendrier
Jake Droge
Bonnie Dybedahl
Duane Harvey
Connie Hillard
Joe Kafka
Marvin VanKerkerix
Arlyn Zylstra

REVIEW AND CONSIDERATION OF ELECTRIC VEHICLE PLUG-IN RATE

Manager McCarthy called upon Debra Biever to review the proposed Electric Vehicle Plug-In Rate. Discussion was held and Mr. Weinacht made a motion to approve the Electric Vehicle Plug-in Rate as proposed effective May 1, 2023, seconded by Mr. Roskamp. The motion carried.

REVIEW AND CONSIDERATION OF EV RETAIL CHARGING RATE FOR PUBLIC CHARGERS IN PIPESTONE AND BRANDON

Debra Biever presented information regarding a proposed EV Retail Charging Rate for the public chargers located at the Pipestone and Brandon Service Centers. The proposed rate was 10.5 cents per kWh, which is the SVE overall average retail rate. Discussion was held by the Board. A motion was made by Dr. Heinemann to set the EV Retail Charging Rate at 21 cents per kWh effective February 1, 2023, seconded by Mr. Daniel. 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 October through December 2022 in the amount of \$8,570.23 was made by Mr. Roskamp, seconded by Mr. DeGreef. 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 2022 and found all expenses to be in order. The report was accepted, and payment of the General Manager's statement in the amount of \$2,097.77 was approved per a motion made by Mr. Daniel, seconded by Mr. Leuthold. The motion carried.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy called upon Ted Smith to give a presentation - 2022 Year End Load Factor. Ted defined load factor, showed the SVE summer peak day and month, SVE winter peak day and month, and showed SVE power suppliers 2022 load factor vs. the price of power.

ACCEPT GENERAL MANAGER'S REPORT

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

BOARD POLICY REVIEW

Manager McCarthy reviewed Board Policy 10 and Board Operating Guides 10-1, 10-2, and 10-3. Mr. Rogen made a motion, seconded by Mr. Weinacht to approve all the updates and changes to the board policy and guides. The motion carried.

EXECUTIVE SESSION

Mr. Leuthold made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Roskamp at 12:15 p.m. The motion carried. All directors were in attendance. The executive session adjourned at 12:20 p.m.

REVIEW AND CONSIDERATION OF MAY 23, 2023 BOARD MEETING DATE CHANGE

Due to a conflict with another meeting, the May board meeting date was changed to May 31, 2023 by a motion made by Mr. Weinacht, seconded by Mr. Johnson. The motion carried.

REVIEW AND CONSIDERATION OF JUNE 27, 2023 BOARD MEETING DATE CHANGE

Due to a conflict with another meeting, the June board meeting date was changed to June 23, 2023 by a motion made by Mr. DeGreef, seconded by Mr. Rogen. The motion carried.

REVIEW AND CONSIDERATION OF STRATEGIC PLANNING SESSION DATE

Possible dates for the 2023 Strategic Planning Session were discussed. A motion was made by Mr. DeGreef to hold the 2023 Strategic Planning Session on July 18, 2023, seconded by Mr. Roskamp. The motion carried.

REVIEW AND CONSIDERATION OF JULY 25, 2023 BOARD MEETING DATE CHANGE

Due to a conflict with another meeting, the July board meeting date was changed to July 21, 2023 by a motion made by Mr. Weinacht, seconded by Mr. DeGreef. The motion carried.

REVIEW AND CONSIDERATION OF SEPTEMBER 26, 2023 BOARD MEETING DATE CHANGE

Due to a conflict with another meeting, the September board meeting date was changed to September 22, 2023 by a motion made by Mr. Rogen, seconded by Mr. Leuthold. The motion carried.

NOTICES OF MEETINGS, SELECTION OF DELEGATES, AND ATTENDANCE AUTHORIZATION

Co-op Day at the Capitol, February 21, 2023 Pierre, SD – All directors were authorized to attend by a motion made by Mr. DeGreef, seconded by Mr. Daniel. The motion carried.

Co-Bank Minnesota Customer Meeting, March 16-17, 2023 Minneapolis, MN and Co-Bank North Dakota Customer Meeting, March 27-28, 2023 Fargo, ND – All directors were authorized to attend by a motion made by Mr. Rogen, seconded by Mr. Daniel. The motion carried.

OTHER BUSINESS

There was no other business.

NEXT MEETING

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

ADJOURNMENT

Mr. Johnson made a motion to adjourn the Sioux Valley Energy board meeting at 12:40 p.m., seconded by Mr. DeGreef. The motion carried.

Donald DeGreef, Secretary

Date Approved: _____