

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.  
July 25, 2024**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on July 25, 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 Jason Maxwell, Justin Moose, Kimberlee Hansen, and Carrie Vugteveen along with Executive Assistant, Brenda Schelhaas. Guest in attendance was Chris Graff.

**REVIEW AND CONSIDERATION OF AGENDA**

The agenda was presented for consideration. Attorney Nadolski asked that the Bylaw review be postponed to a future board meeting, President Leuthold asked that Board Budget be added to the agenda, and Mr. Daniel asked that a discussion be held on IT preparedness. A motion to approve the amended agenda was made by Mr. Rogen, seconded by Mr. Johnson. The motion carried.

**REVIEW AND CONSIDERATION OF MEETING MINUTES**

A motion to approve the minutes of the June 19, 2024 regular board meeting was made by Mr. Fish, seconded by Mr. DeGreef. The motion carried.

**ACSI REVIEW**

Keith Kaderly from Inside Information, LLC presented a webinar on the 2024 ACSI score/survey results for Sioux Valley Energy. Mr. Kaderly shared that this was a saturation survey with 2,219 total responses. He also showed statistics from this year's survey and the history of SVE's ACSI scores. Sioux Valley Energy's ACSI score was 86 this year, which is three points lower than last year's score.

**ANNUAL MEETING SURVEY RESULTS**

Carrie Vugteveen reviewed the Annual Meeting Survey that had recently been conducted by Inside Information, LLC. Overall satisfaction ratings were very high, and members appreciated having an annual meeting site near their location.

REVIEW AND CONSIDERATION OF OPERATION ROUND UP BOARD OF TRUSTEES

The Board of Directors considered the reappointments of Dan LaRock, Rock County and Brenda Volkers, Brookings County to the Customer Trust Board of Trustees. A motion was made by Ms. Vostad to approve the reappointment of Dan LaRock and Brenda Volkers, seconded by Mr. Roskamp. The motion carried.

REVIEW AND CONSIDERATION OF ANNUAL MEETING WAIVER FOR SIOUX VALLEY ENERGY CUSTOMER TRUST

The Board of Directors considered and executed a unanimous consent in writing in lieu of an annual meeting of the Sioux Valley Energy Customer Trust.

REVIEW AND CONSIDERATION OF REPRESENTATION ON EAST RIVER BOARD OF DIRECTORS

Directors Fish and DeMent expressed interest in serving as Sioux Valley Energy's representative on the East River Board of Directors. Attorney Nadolski distributed ballots, tabulated the ballots, and declared Gary Fish as SVE's representative on the East River Board of Directors.

ATTORNEY, CEO, AND BOARD DIRECTOR EVALUATIONS

President Leuthold called upon Brenda Schelhaas to discuss the Attorney, CEO, and Board Director Evaluation Forms. The forms will be emailed today, and paper copies are also available. Brenda asked that the evaluation forms be mailed or emailed to her before August 15.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S QUARTERLY EXPENSE STATEMENT

Ms. Vostad, Treasurer, reported that she reviewed the General Manager's quarterly expense and credit card statements for the period of April through June 2024 and found all expenses to be in order. The report was accepted, and payment of the General Manager's statement in the amount of \$2,245.77 was approved per a motion made by Ms. Vostad, seconded by Mr. Weinacht. 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 April through June 2024 in the amount of \$17,545.73 was made by Mr. Rogen, seconded by Mr. Johnson. The motion carried.

### BRANDON SERVICE CENTER UPDATE

Justin Moose gave an update on the Brandon building project. Justin stated that SVE has taken possession of the office addition. SVE will take possession of the truck and wash bay in the near future and the training center/warehouse is scheduled for completion by October 28. Justin then reviewed the change orders that have been needed and the costs associated with the changes.

### REVIEW AND CONSIDERATION OF RUS LABOR ONLY OVERHEAD CONSTRUCTION CONTRACT

Manager McCarthy called upon Chris Graff to present the proposed labor only contract for overhead construction. 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 Dr. Heinemann. The motion carried.

### REVIEW AND CONSIDERATION OF REED LOAN APPLICATIONS

Jason Maxwell presented three REED loan requests. The first request was for \$600,000, the second for \$300,000, and the final request for \$1,900,000. Discussion was held and a motion was made by Mr. Daniel to approve the REED loan applications totaling \$2,800,000, seconded by Ms. Vostad. The motion carried.

### POLICY REVIEW

Manager McCarthy reviewed Board Policies 1 and 2 and Board Operating Guides 2-1 through 2-4. Mr. DeGreef made a motion, seconded by Ms. Vostad, to approve the board policies and board operating guides. The motion carried.

### STRATEGIC PLANNING

Manager McCarthy stated that the Strategic Leadership Team will be having a retreat on August 5, 2024 to discuss items from the Board's strategic planning session.

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

Manager McCarthy called upon Justin Moose to review the recent CrowdStrike outage. The outage didn't impact Sioux Valley Energy as that software package isn't used by SVE. The Emergency Response Plan has procedures that would be followed if SVE were affected by this type of outage.

Manager McCarthy presented key highlights of the East River General Manager's report including RUS loan delays and Basin financials. He noted that SVE needs to look at other financing options due to the RUS loan delays. Manager McCarthy then discussed proposed rate increases, rate communications, and budgeting.

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. Weinacht, seconded by Mr. Roskamp. The motion carried.

REPORT ON POWER SUPPLY MEETING

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

L&O Power – Directors Roskamp and Johnson reported on their attendance of the L&O Power board meeting.

REPORTS ON MEETING ATTENDED

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

SDREA and NRECA Legal Seminars – Attorney Nadolski reported on his attendance at these seminars.

CoBank Energy Directors Conference – Directors Johnson, Roskamp, and Leuthold reported on their attendance at this conference.

MREA District 5 Meeting – Directors DeMent and Weinacht reported on their attendance at this meeting.

NOTICES OF MEETINGS, SELECTION OF DELEGATES, AND ATTENDANCE AUTHORIZATION

SDAC Co-op Conference and Annual Members' Meeting, August 4-5, 2024 Sioux Falls, SD – Director DeMent was approved to attend per a motion made by Mr. Roskamp, seconded by Mr. Weinacht. The motion carried.

EXECUTIVE SESSION

Mr. DeMent made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Fish at 1:50 p.m. The motion carried. The executive session adjourned at 1:55 p.m.

OTHER BUSINESS

Attorney Nadolski provided the board with a quarterly update.

President Leuthold discussed the Board's budget for 2025 and the potential need for a budget committee. Discussion was held and the full board will review the Board's 2025 budget at the August board meeting.

NEXT MEETING

The next regular board meeting will be held on Tuesday, July 27, 2024 at 8:30 a.m. in the Colman boardroom.

ADJOURNMENT

Mr. DeMent made a motion to adjourn the Sioux Valley Energy board meeting at 2:15 p.m., seconded by Dr. Heinemann. The motion carried.

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Donald DeGreef, Secretary

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