

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
March 28, 2023**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on March 28, 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, Justin Moose, Ted Smith, and Carrie Vugteveen along with Executive Assistant, Brenda Schelhaas. Guest in attendance was Dan Niemeyer.

INTRODUCTION OF GUEST

President Fish introduced Dan Niemeyer, Member Advisory Council (MAC) member from District 10.

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. Johnson. The motion carried.

REVIEW AND CONSIDERATION OF MEETING MINUTES

A motion to approve the minutes of the February 28, 2023 regular board meeting was made by Mr. Rogen, seconded by Mr. Roskamp. The motion carried.

COST OF SERVICE STUDY - PSE

Nick Nelson from Power System Engineering (PSE) presented Sioux Valley Energy's Cost of Service (COS) study results. PSE's results matched SVE's internal analysis confirming that a rate increase will not be necessary in 2023. The Cost of Service Study results will be used by the Strategic Leadership Team and the Board during strategic planning this summer to make future rate design decisions.

REED LOAN

Manager McCarthy presented a request for a \$1.7 million REED loan. Discussion was held and a motion as made by Mr. Roskamp to approve the REED loan application for \$1.7 million, seconded by Ms. Vostad. The motion carried.

REVIEW AND CONSIDERATION OF MEMBER ADVISORY COUNCIL MEETING DATE

Discussion was held and a motion was made by Mr. Daniel to change the April 25, 2023 board meeting start time to 1:00 p.m. followed by a meal with the Member Advisory Council (MAC) at 5:30 p.m. and a MAC meeting at 6:30 p.m., seconded by Mr. Leuthold. The motion passed 10-1.

REVIEW AND CONSIDERATION OF BOARD RETREAT DATE

Mr. DeGreef made a motion to set November 9, 2023 as the Board retreat date, seconded by Mr. Johnson. The motion carried.

STRATEGIC PLANNING

Discussion was held regarding topics for the Board's strategic planning session that will be held in July. Suggested topics included SVE's contract with East River Electric, review of SVE's largest capital credit holders, financial forecast key assumptions, rate making design process/Cost of Service Study results, and a review of the Class C list by load size.

STRATEGIC PLANNING SCOREBOARD

Manager McCarthy presented the Strategic Planning Scoreboard and discussed the objectives, initiatives, and the current status of those initiatives. Manager McCarthy noted the need for future board educational items. Several ideas for educational tours were presented and will be followed up on by the Strategic Leadership Team.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy reviewed wholesale power purchases, sales, and revenue. He noted that there were 15 requests for new services in February compared to 44 at this time last year.

Brandon Lane, along with Lori and Jim George, attended the West Central Education Foundation dinner in which Sioux Valley Energy was honored as Business Supporter of the Year.

Manager McCarthy discussed key highlights of the East River General Manager's report including the WAPA Customer Meeting, Basin Electric financials, SDRE Manager's Meeting, WAPA RECs, carbon sequestration projects, SPP planning reserve margin increase FERC challenge, NERC alert, and SPP 20-year assessment.

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.

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

NRECA PowerXchange – Directors Roskamp and DeMent reported on their attendance of the NRECA PowerXchange that was held in Nashville, TN.

CoBank Minnesota Customer Meeting – Directors Fish, Rogen, and Johnson reported on their attendance of the CoBank Minnesota Customer Meeting that was held in Minneapolis, MN.

NOTICES OF MEETINGS, SELECTION OF DELEGATES, AND ATTENDANCE AUTHORIZATION

BLC 935.1 Appraising and Compensating the CEO, June 6-7, 2023 Virtual – Ms. Vostad was authorized to attend by a motion made by Mr. Daniel, seconded by Mr. Roskamp. The motion carried.

CFC Annual Meeting and Forum, June 19-21, 2023 Seattle, WA – Directors DeGreef, DeMent, Fish, and Rogen were authorized to attend, Director Rogen was nominated to serve as the voting delegate and Director Fish as the alternate by a motion made by Mr. DeMent, seconded by Mr. Daniel. The motion carried.

OTHER BUSINESS

President Fish discussed the RESCO board seat that will be up for election in September 2023.

EXECUTIVE SESSION

Mr. Weinacht made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Leuthold at noon. The motion carried. All directors were in attendance. The executive session adjourned at 12:16 p.m.

NEXT MEETING

The next regular board meeting will be held on Tuesday, April 25, 2023 at 1:00 p.m. in the Colman boardroom.

ADJOURNMENT

Dr. Heinemann made a motion to adjourn the Sioux Valley Energy board meeting at 12:17 p.m., seconded by Mr. Weinacht. The motion carried.

Donald DeGreef, Secretary

Date Approved: _____