

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
March 26, 2024**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on March 26, 2024 commencing at 9:00 a.m. via Zoom.

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:

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

Also present were Attorney Mike Nadolski, General Manager Tim McCarthy, Strategic Leadership Team members Ted Smith, Jason Maxwell, Justin Moose, and Carrie Vugteveen along with Executive Assistant, Brenda Schelhaas.

REVIEW AND CONSIDERATION OF AGENDA

The agenda was presented for consideration. President Fish asked that Reports on Meetings Attended be moved to the April 2024 board meeting. A motion to approve the amended agenda was made by Mr. Daniel, seconded by Mr. Rogen. The motion carried.

REVIEW AND CONSIDERATION OF MEETING MINUTES

A motion to approve the minutes of the February 27, 2024 regular board meeting was made by Mr. Johnson, seconded by Mr. Daniel. The motion carried.

SVE FERC INTERVENTION IN BASIN RATE FILING

Manager McCarthy called upon Danny Brown, East River Electric General Counsel, to provide an overview of FERC intervention. Danny stated that Basin filed their proposed Crypto and Large Load rates with FERC on March 25, 2024. He explained that if a cooperative plans to intervene, the intervention must be done by April 15, 2024. Danny noted that regular meetings will be held with all East River members who participate in the intervention, and East River has hired outside counsel that specializes in FERC interventions. A motion to allow General Manager McCarthy to sign the FERC intervention letter and hire outside legal counsel was made by Mr. Rogen, seconded by Mr. Johnson. The motion carried.

BUDGET TO ACTUAL COMPARISON

Jason Maxwell gave an overview of the 2023 budget vs. the 2023 actual. He also reviewed actual 2023 to the budget for 2024. Discussion was held regarding operating margins and rates.

DOM INSURANCE

Jason Maxwell introduced Dave Noess with Federated Rural Electric Insurance Exchange. Dave provided an overview of Federated Insurance's financials, claims by year, SVE's losses by year, and employee contact data. He then reviewed SVE's insurance program including the All Risk Blanket Policy; Umbrella Liability Policy; Directors, Officers, and Managers Liability; and Workers' Compensation. Dave also discussed SVE's limits for these coverages. Discussion was held regarding increasing the Umbrella Liability Policy coverage. Mr. Weinacht made a motion to increase the Umbrella Liability Policy coverage from \$10 million to \$20 million, seconded by Mr. Johnson. The motion carried.

REVIEW AND CONSIDERATION OF RESOLUTION TO INCREASE CFC LINE OF CREDIT

Jason Maxwell led a discussion on increasing the CFC line of credit from \$4 million to \$15 million. A motion was made by Mr. Leuthold, seconded by Mr. Daniel to approve the resolution to increase SVE's CFC line of credit from \$4 million to \$15 million. The motion carried.

CERTIFICATE OF RESOLUTIONS AND INCUMBENCY

I, Donald DeGreef, do hereby certify that (i) I am the Secretary of SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC. (hereinafter called the "Cooperative"); (ii) the following are true and correct copies of resolutions duly adopted by the board of directors of the Cooperative at a meeting held on March 26, 2024; (iii) the meeting was duly and regularly called and held in accordance with the bylaws of the Cooperative; (iv) the Cooperative is duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and there is no pending or contemplated proceeding for the merger, consolidation, sale of assets or business or dissolution of the Cooperative; (v) forms of the loan documents identified below were submitted to the meeting and were authorized by the board of directors to be executed; (vi) none of the following resolutions has been rescinded or modified as of this date; and (vii) the persons authorized below have been duly elected or appointed to their respective positions and occupied such positions on the date of actual execution of the loan documents:

RESOLVED, that the Cooperative establish a line of credit and authorize borrowing from National Rural Utilities Cooperative Finance Corporation ("CFC") in an amount which shall not at any one time exceed \$15,000,000.00 (the "Line of Credit Amount"), subject to the provisions of the Line of Credit Agreement substantially in the form submitted to this meeting (the "Line of Credit Agreement"); and,

RESOLVED, that the individuals listed below are hereby authorized to execute and to deliver to CFC the following documents: the Line of Credit Agreement.

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the Cooperative to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to said Line of Credit Agreement as such individual may deem appropriate within the Line of Credit Amount so authorized herein and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

<u>Office or Title</u>	<u>Name (typed or printed)</u>
President	Gary Fish
CEO/General Manager	Tim McCarthy
CFO	Jason Maxwell
Secretary	Donald DeGreef

REVIEW AND CONSIDERATION OF MAC MEETING DATE

Brenda Schelhaas presented two potential dates to hold a Member Advisory Council (MAC) meeting. Mr. Daniel made a motion to approve April 17, 2024 as the next MAC meeting date, 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.

CRYPTO RATE

Ted Smith reviewed Basin Electric’s proposed Crypto rate that was filed with FERC on March 25, 2024. If this rate is approved by FERC, Basin plans to implement the rate by June 1, 2024.

STRATEGIC PLANNING

Manager McCarthy discussed equity level management/five year rate forecast and the need for a plan to be determined during the strategic planning session in June. The Strategic Planning session will be held on June 20, 2024 in the Colman boardroom.

REVIEW AND CONSIDERATION OF GENERAL MANAGER’S REPORT

The Board viewed a commercial entitled Road Side Safety that was created by Harvest. The commercial features Sioux Valley Energy employees.

ACCEPT GENERAL MANAGER’S REPORT

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

NOTICES OF MEETINGS, SELECTION OF DELEGATES, AND ATTENDANCE AUTHORIZATION

SDREA Legal Seminar, June 24-26, 2024 Rapid City, SD and NRECA Legal Seminar, July 15-17, 2024 Virtual – Attorney Nadolski was authorized to attend by a motion made by Ms. Vostad, seconded by Mr. Rogen. The motion carried.

BLC 988.1 The Board’s Role in Safety, May 22-23, 2024 Virtual – Director DeGreef was authorized to attend by a motion made by Mr. Weinacht, seconded by Mr. Johnson. The motion carried.

Discussion was held regarding the CFC Annual Meeting and Forum, June 17-19, 2024 Indianapolis, IN. This CFC meeting conflicts with the June board meeting. Brenda Schelhaas will do some research and see if SVE can cast a proxy vote for this meeting.

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.

OTHER BUSINESS

There was no other business.

NEXT MEETING

The next regular board meeting will be held on Friday, April 19, 2024 at 8:30 a.m. in the Colman boardroom.

ADJOURNMENT

Mr. Daniel made a motion to adjourn the Sioux Valley Energy board meeting at 12:03 p.m., seconded by Mr. Leuthold. The motion carried.

Donald DeGreef, Secretary

Date Approved: _____