

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.  
November 22, 2022**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on November 22, 2022 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, Carrie Vugteveen, and Jason Maxwell 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. DeGreef, seconded by Mr. Daniel. The motion carried.

**REVIEW AND CONSIDERATION OF MEETING MINUTES**

A motion to approve the minutes of the October 25, 2022 regular board meeting was made by Mr. Weinacht, seconded by Mr. Roskamp. The motion carried.

**REVIEW AND CONSIDERATION OF BASIN LOAD FORECAST FOR SIOUX VALLEY ENERGY**

Manager McCarthy called upon Ted Smith to review the 2023 Basin load forecast for the time period from 2023 to 2050. Mr. Rogen made a motion to approve the 2023 Basin Load Forecast resolution, seconded by Mr. Weinacht. The motion carried.

**WHEREAS**, Basin Electric Power Cooperative has completed a detailed forecast of total Demand and energy requirements for the period of 2023 through 2050; and

**WHEREAS**, the forecast was prepared in accordance with current Rural Utilities Service regulations using reasonable methodologies; and

**WHEREAS**, the Board of Directors of Sioux Valley Energy has reviewed the study and its conclusions;

**THEREFORE, BE IT RESOLVED**, that the Board of Directors of Sioux Valley Energy does hereby adopt and approve the 2023 Load Forecast prepared by Basin Electric Power Cooperative as a reasonable forecast of the future demand and energy requirements for Sioux Valley Energy through the year 2050.

And that the action taken and/or resolutions adopted as above set out have never been rescinded, altered, amended, modified or repealed, and are of the date hereof in full force and effect.

DEFERRED REVENUE AND RATE OUTLOOK DISCUSSION

Manager McCarthy called upon Jason Maxwell to provide information regarding deferred revenue and the effect on rates. Jason provided three rate outlook scenarios - the first with no deferred revenue, the second with full deferred revenue, and the third with partial deferred revenue. Discussion was held, and Jason will prepare a resolution based on the second rate scenario utilizing full deferred revenue. A final decision will be made by the Board at the December board meeting.

CYBERSECURITY TESTING RESULTS

Manager McCarthy called upon Justin Moose to review the results of SVE's annual network penetration and web application testing that was performed by Secure Banking Solutions. The results showed no unexpected issues.

BOARD POLICY REVIEW

Manager McCarthy called upon Debra Biever to review Board Policy 7 and Board Operating Guides 7-1, 7-2, 7-3, and 7-4. Mr. Johnson made a motion, seconded by Mr. Leuthold to approve all the updates and changes to the board policies and guides. The motion carried.

STRATEGIC PLANNING

Manager McCarthy discussed the Board's requested change to the budgeting process. The Strategic Leadership Team will prepare a preliminary budget presentation for the Board's review in November 2023 with a final presentation in December 2023. Due to this change, strategic planning agenda items will be needed in January, and the budget process will begin earlier at the end of June or beginning of July next year.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Debra Biever discussed water, weatherization, and blinking light issues at the Hartford service center. SVE will continue to work with the landlord to resolve these problems.

Manager McCarthy reviewed wholesale power purchases, sales, and revenue. He noted that 3,892 leaning poles from the May derecho have been straightened. New service requests through October are much higher than budgeted due to the increase in city residential and commercial requests.

Manager McCarthy gave an overview of the October 2022 revenue and expense statement and the year-to-date September 2022 consolidated statement. He also reviewed the 2022 year-end projections.

Manager McCarthy discussed key highlights of the East River General Manager's report including WAPA RECs and permitting challenges for the Sioux Falls maintenance center and the Lewis and Clark substation.

ACCEPT GENERAL MANAGER'S REPORT

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

REPORTS ON POWER SUPPLY MEETINGS

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

L&O Power – Mr. Roskamp reported on his attendance of the L&O Power board meeting.

NOTICES OF MEETINGS, SELECTION OF DELEGATES, AND ATTENDANCE AUTHORIZATION

SDREA Annual Meeting, January 12-13, 2023 Pierre, SD – All directors were authorized to attend, Director Fish was nominated to serve as the voting delegate and Director DeMent as the alternate by a motion made by Mr. DeMent, seconded by Mr. Daniel. The motion carried.

MREA Winter DC Legislative Visit, January 31 – February 1, 2023 Washington, DC – Director Rogen was authorized to attend by a motion made by Mr. Weinacht, seconded by Mr. Roskamp. The motion carried.

MREA Annual Meeting, February 21-22, 2023 St. Paul, MN – All directors were authorized to attend, Director Roskamp was nominated to serve as the voting delegate for all 2023 MREA membership meetings with Director Johnson as alternate by a motion made by Mr. Rogen, seconded by Mr. Leuthold. The motion carried.

EXECUTIVE SESSION

No executive session was held.

OTHER BUSINESS

President Fish noted that the annual ACRE and REPAC contributions will be included on the December director expense statements.

NEXT MEETINGS

The 2023 Work Plan and Budget meeting will be held on Thursday, December 15, 2022 at 8:30 a.m. The next regular board meeting will be held on Friday, December 16, 2022 at 8:30 a.m. Both meetings will be held in the Colman boardroom.

ADJOURNMENT

Mr. Weinacht made a motion to adjourn the Sioux Valley Energy board meeting at 11:05 a.m., seconded by Dr. Heinemann. The motion carried.

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Donald DeGreef, Secretary

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