

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.  
October 25, 2022**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on October 25, 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		

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. Guest in attendance was Reid Christopherson.

**INTRODUCTION OF GUEST**

Director Rogen introduced Reid Christopherson, Member Advisory Committee (MAC) member from District 6.

**INTRODUCTION OF NEW EMPLOYEE**

Kimberlee Hansen introduced Ross Dixon, Dispatcher. Ross joined the team on October 1.

**REVIEW AND CONSIDERATION OF AGENDA**

The agenda was presented for consideration. President Fish asked that Black Tie Holdings REED Loan be added as agenda item 11A). Director Daniel asked that SDREA Report be added to agenda item 26). A motion to approve the amended agenda was made by Mr. Daniel, seconded by Mr. Roskamp. The motion carried.

**REVIEW AND CONSIDERATION OF MEETING MINUTES**

A motion to approve the minutes of the September 20, 2022 regular board meeting was made by Mr. Rogen, seconded by Mr. Johnson. The motion carried.

**REVIEW AND CONSIDERATION OF AMENDED AUGUST 23, 2022 BOARD MEETING MINUTES**

A motion to approve the amended minutes of the August 23, 2022 regular board meeting was made by Mr. Roskamp, seconded by Mr. DeGreef. The motion carried.

REVIEW AND CONSIDERATION OF PROPOSED WRITE-OFF OF UNCOLLECTABLE ACCOUNTS

Manager McCarthy called upon Toni Kruger to review the proposed write-off of uncollectable electric energy and miscellaneous receivable/loan accounts. The total write-off amount is \$12,056.27 compared to \$19,210.61 in 2021. SVE will retain \$7,298.79 in unretired capital credits to offset part of this write-off, resulting in a net write-off of \$4,757.28. A motion was made by Mr. Weinacht to approve the proposed write-off of uncollectable accounts, seconded by Mr. Johnson. The motion carried.

REVIEW AND CONSIDERATION OF PROPOSED RESOLUTION – GENERAL RETIREMENT AND FORFEITURE OF UNCLAIMED CAPITAL CREDITIS

Manager McCarthy called upon Jason Maxwell to present a proposed resolution for the 2022 general capital credit retirement and declaration of forfeiture of unclaimed capital credits. The resolution included a \$2,140,000 general retirement of capital credits along with forfeiture of unclaimed capital credits retired in 2016. Mr. Rogen made a motion to approve the \$2.14 million general capital credit retirement and the forfeiture of the 2016 unclaimed capital credits, seconded by Mr. Daniel. The motion carried.

WHEREAS, the Cooperative bylaws provide for the retirement of capital credits to members and former members of the Cooperative; and

WHEREAS, the Cooperative bylaws also provide that any unclaimed retired capital credits be irrevocably assigned and retained by the Cooperative.

THEREFORE, BE IT RESOLVED; that the Board of Directors of Sioux Valley Energy does hereby approve a general retirement of capital credits for 2022 in the amount of \$2,140,000,

AND BE IT FURTHER RESOLVED; that the Board of Directors of Sioux Valley Energy declares the forfeiture of unclaimed capital credits retired in 2016 to South Dakota accounts unless claimed within six months from the date of this resolution or notification required by the state.

EXECUTIVE SESSION

Mr. Roskamp made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Daniel at 9:10 a.m. The motion carried. The executive session adjourned at 9:22 a.m.

APPROVAL OF MARKET RATE TARIFFS

Mr. Rogen made a motion to approve the four market rates that were discussed in executive session, seconded by Mr. Weinacht. The motion carried.

REED LOAN

Manager McCarthy called upon Jason Maxwell to present a request from Black Tie Holdings for a \$2,000,000 REED loan. Black Tie Holdings will own the building near Hartford, SD where Black Tie Components will build roof and floor trusses. A motion was

made by Mr. Rogen to approve moving forward with the REED loan application for \$2,000,000, seconded by Mr. Leuthold. 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 July through September 2022 in the amount of \$16,342.62 was made by Mr. Roskamp, seconded by Mr. Weinacht. 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 July through September 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 \$3,047.40 was approved per a motion made by Mr. Daniel, seconded by Mr. Johnson. The motion carried.

BOARD POLICY REVIEW

Manager McCarthy reviewed Board Policy 6 and Board Operating Guides 6-1 and 6-2. Mr. Weinacht made a motion, seconded by Mr. Daniel to approve all the updates and changes to the board policies and guides. The motion carried.

BOARD REDISTRICTING

Discussion was held regarding board redistricting, and no changes will be made at this time.

BOARD REPRESENTATIVE TO SVE SCHOLARSHIP SELECTION COMMITTEE

Carrie Vugteveen asked for a volunteer from the Board to serve on the scholarship committee. Mr. Daniel volunteered to serve on the committee. Mr. Roskamp made a motion to approve Mr. Daniel as this year's board scholarship committee member, seconded by Mr. Johnson. The motion carried.

REBRANDING DISCUSSION

Manager McCarthy called upon Carrie Vugteveen to present logo options that had been developed by Touchstone Energy. Sioux Valley Energy employees recently took a survey, and those results were also shared with the Board. Discussion was held and the Board asked that Carrie bring variations of the current logo with an updated look.

POLICY REVIEW

The Board reviewed Board Operating Guide (BOG) 8-7 Director Compensation and Benefits. A motion was made to approve BOG 8-7 as written by Mr. Weinacht, seconded by Mr. Leuthold. Board Operating Guide 8-7 will be reviewed again in 2023.

BYLAW AND POLICY REVIEW DISCUSSION

Discussion was held regarding the timing of bylaw and policy reviews. Currently, policies and bylaws are scheduled to be reviewed every 24 months. The Board will continue with this review schedule. The next policy and bylaw review will begin in April 2024.

BOARD PACKET CONTENT DISCUSSION

The Board discussed the board packet contents and no changes were recommended at this time.

BOARD RETREAT

The Board will discuss having a board retreat during their board self-evaluation in executive session later today.

STRATEGIC PLANNING SCOREBOARD

Manager McCarthy presented the Strategic Planning Scoreboard and discussed the objectives, initiatives, and the current status of those initiatives.

STRATEGIC PLANNING

Manager McCarthy reviewed the summary documents from CoBank regarding the strategic planning session that was held in August. Cybersecurity, Growth/Economic Development, Beneficial Electrification, Power Supply, and Crypto Currency/Crypto Mining follow up items were discussed.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy reviewed wholesale power purchases, sales, and revenue. The September 2022 peak load is the highest peak load ever seen in the month of September. Manager McCarthy called upon Ted Smith to give a presentation regarding load factor.

Manager McCarthy gave an overview of the September 2022 revenue and expense statement and the year-to-date August 2022 consolidated statement. He also reviewed the 2022 year-end projections. Manager McCarthy then called upon Debra Biever to provide analysis of the Brandon solar array.

Manager McCarthy noted that the SVE/SEC Legislative Forum will be held on Monday, November 28, 2022 from 11:30 a.m. to 1:00 p.m. at the Hilton Garden Inn in downtown

Sioux Falls. Directors who are interested in attending should contact Carrie Vugteveen or Brenda Schelhaas.

Manager McCarthy discussed key highlights of the East River General Manager's report including the Basin Electric bylaws committee, the stand-by rate, and the Brattle Study.

Ted Smith provided information regarding a letter that had been sent to the South Dakota Public Utilities Commission (PUC). The PUC informed this member that they do not have jurisdiction in this matter. Ted Smith and the engineering department have been in contact with this member.

#### ACCEPT MANAGER'S REPORT

A motion to accept the General Manager's Report was made by Mr. Weinacht, seconded by Mr. Johnson. 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. Leuthold reported on his attendance of the L&O Power board meeting.

#### REPORTS ON MEETINGS ATTENDED

NRECA Regional 5&6 Meeting – Directors Weinacht and DeMent reported on their attendance of this meeting.

BLC 957.1 and BLC 929.1 – Director DeGreef reported on his attendance of these classes.

CCD 2640 – Director Vostad reported on her attendance of this class.

SDREA Board Meeting – Director Daniel reported on his attendance of the SDREA Board Meeting.

#### NOTICES OF MEETINGS, SELECTION OF DELEGATES, AND ATTENDANCE AUTHORIZATION

SDREA Board Leadership Certificate, December 6-7, 2022 Pierre, SD  
NRECA Winter School for Directors, December 9-13, 2022 Nashville, TN  
Directors Daniel, Fish, and Weinacht were authorized to attend the SDREA Board Leadership Certificate courses and Director Heinemann was authorized to attend the NRECA Winter School for Directors by a motion made by Mr. Roskamp, seconded by Mr. Johnson. The motion carried.

Mid-West Electric Consumers Association Annual Meeting – Director Daniel will not be attending this meeting. Brenda Schelhaas was instructed to notify the Mid-West Electric

Consumers Association that Director Johnson will now serve as SVE's Alternate in place of Director Daniel.

OTHER BUSINESS

The salary for Manager McCarthy that was discussed in the Board's September 2022 executive session was approved by a motion made by Mr. Rogen, seconded by Mr. Roskamp. The motion carried.

EXECUTIVE SESSION

Mr. DeGreef made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Weinacht at 1:45 p.m. The motion carried. The executive session adjourned at 2:38 p.m.

NEXT MEETING

The next regular board meeting will be held on Tuesday, November 22, 2022, at 8:30 a.m. in the Colman boardroom.

ADJOURNMENT

Mr. Weinacht made a motion to adjourn the Sioux Valley Energy board meeting at 2:38 p.m., seconded by Mr. Leuthold. The motion carried.

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Donald DeGreef, Secretary

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