

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.  
September 20, 2022**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on September 20, 2022 commencing at 10:00 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
Dr. Leslie Heinemann	Lucas Roskamp	Mark Rogen
Gregg Johnson	Don DeGreef	

Also present were Attorney Mike Nadolski, General Manager Tim McCarthy, Strategic Leadership Team members Debra Biever, Ted Smith, Justin Moose, and Jason Maxwell along with Executive Assistant, Brenda Schelhaas. Guests in attendance were Harry Buck and Darrin Lynch.

**INTRODUCTION OF GUEST**

President Fish introduced Harry Buck, Member Advisory Committee (MAC) member from District 6.

**INTRODUCTION OF NEW EMPLOYEE**

Chinelle Christensen introduced Brian Bjorum, Mechanic. Brian joined the team on August 1.

**REVIEW AND CONSIDERATION OF AGENDA**

The agenda was presented for consideration. President Fish asked that agenda item 19) Executive Session-General Manager/CEO Evaluation/Salary Adjustment be moved to agenda item 10A). He then asked that agenda items 12) Board Redistricting and 19) Executive Session-Board Self Evaluation be deferred to the October board meeting. A motion to approve the amended agenda was made by Mr. Rogen, seconded by Mr. Daniel. The motion carried.

**REVIEW AND CONSIDERATION OF MEETING MINUTES**

Discussion was held regarding the minutes. A motion to approve the minutes of the August 23, 2022 regular board meeting as written was made by Mr. Roskamp, seconded by Mr. Johnson. The motion passed 9-2.

CFC KEY RATIO TREND ANALYSIS (KRTA)

Darrin Lynch, Regional Vice President with CFC, reviewed the Key Ratio Trend Analysis (KRTA) report. His review included key system operating, expense, and growth ratios for a five-year period ending December 2021. The KRTA report also showed comparisons to other cooperatives in five categories including state, major power supplier, national, consumer size (25,000 to 30,000), and plant growth.

REED LOAN

Manager McCarthy called upon Jason Maxwell to present the request for a \$600,000 REED loan from Black Tie Components. The 60,000 sq. ft. facility will be located near Hartford, SD and will build roof and floor trusses. The REED loan would be used for machinery, trucks, and trailers. A motion was made by Mr. Weinacht to approve the REED loan for \$600,000, seconded by Dr. Heinemann. The motion carried.

REVIEW AND CONSIDERATION OF RUS LABOR ONLY UNDERGROUND CONSTRUCTION CONTRACT

Manager McCarthy called upon Ted Smith to present the proposed labor only contracts for underground construction work for 2023 with the total amount of both contracts not to exceed \$6 million. Proposed pricing was provided by May Construction, Inc. and Precision Contracting, Inc. Mr. Rogen made a motion to authorize one-year labor only contracts for 2023 to May Construction, Inc. and Precision Contracting, Inc. on a non-bid basis, seconded by Mr. Daniel. The motion carried.

BRANDON BUILDING UPDATE

Manager McCarthy called upon Ted Smith to provide information regarding the Brandon service center expansion. Ted's review included background on the current building, the proposed addition, an updated architect cost estimate, and 2024 and beyond expenses. The Strategic Leadership Team will continue to work with the architect and move forward with the expansion of the current Brandon service center.

EXECUTIVE SESSION

Mr. Daniel made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Johnson at 11:39 a.m. The motion carried. All directors were in attendance. The executive session adjourned at 12:35 p.m.

BOARD POLICY REVIEW

Manager McCarthy reviewed Board Policy 4 and Board Operating Guides 4-1, and 4-2. Mr. Daniel made a motion, seconded by Mr. Weinacht to approve all the updates and changes to the board policies and guides. The motion carried.

President Fish left the meeting at 1:20 p.m. and Vice-President Dan Leuthold presided over the remainder of the meeting.

**REVIEW AND CONSIDERATION OF 2023 DISTRICT MEETING SCHEDULE**

The proposed schedule of dates and locations for the 2023 district meetings was reviewed. Mr. Weinacht made a motion to approve the 2023 proposed district meeting schedule, seconded by Mr. Roskamp. The motion carried.

<u>MEETING DATE</u>	<u>DIRECTOR/DISTRICT</u>	<u>TOWN</u>	<u>LOCATION</u>
Thursday, February 23	Johnson (9)*	Pipestone MN	Pipestone High School
Monday, February 27	Leuthold (8)	Luverne MN	Generations(Grand Prairie Event Cent.)
Tuesday, February 28	DeGreef (1)	White SD	McKnight Hall
Thursday, March 2	Daniel (4)	Madison SD	Dakota Prairie Playhouse
Thursday, March 9	Vostad (2)	Volga SD	Sioux Valley School
Monday, March 13	Heinemann (3)	Flandreau SD	William J Janklow Community Center
Tuesday, March 14	DeMent (7)*	Hartford SD	West Central School
Monday, March 20	Weinacht (5)*	Colton SD	Taopi Hall
Tuesday, March 21	Roskamp (10)	Edgerton MN	Edgerton Public School
Thursday, March 23	Fish (6) & Rogen (6)*	Brandon SD	Brandon High School

\*Denotes Election Meetings

**STRATEGIC PLANNING**

Manager McCarthy stated that the Strategic Leadership Team recently received the summary documents from CoBank regarding the strategic planning session that was held in August. Information from the CoBank report will be provided at a future board meeting.

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

Manager McCarthy provided information on the Inflation Reduction Act that was recently signed into law by President Biden. He discussed the possibility of SVE building and maintaining solar systems for the membership and providing money to members using the renewable energy fund. Additional research will be done by the Strategic Leadership Team and brought back to the board at a future board meeting.

Manager McCarthy reviewed wholesale power purchases, sales, and revenue. New service requests through August are much higher than budgeted due to the increase in city residential and commercial requests.

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

SVE hosted the second Safety Day at the Brandon service center this past month. There were almost 800 people in attendance, and the event brought out many young families with children.

The second annual 'EV Ride and Drive Event' will be held on September 29 at the WH Lyon Fairgrounds. Southeastern Electric, HD Electric, and Xcel Energy will also be participating in this event.

Manager McCarthy discussed key highlights of the East River General Manager's report including CoBank financing activity, Basin Electric financials, the Mid-West Electric Consumers Association board meeting, business development, the Inflation Reduction Act, California's future ban on the sale of new gas vehicles, the American Coalition for Ethanol Annual meeting, the DOE release of \$425 million in infrastructure funds, the Electric School Bus application deadline, and the McKenzie subpoena.

#### ACCEPT MANAGER'S REPORT

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

#### REPORTS ON MEETINGS ATTENDED

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

SPP, Arkansas Statewide/G&T, and Today's Power Tour – Directors Daniel, DeGreef, DeMent, and Johnson reported on their attendance of this tour.

SDAC Co-op Conference and Annual Members' Meeting – Director Rogen reported on his attendance of the conference and meeting.

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

Basin Electric Annual Meeting, November 8 - 9, 2022 Bismarck, ND – Director DeGreef was nominated to serve as the voting delegate and Director Johnson as the alternate by a motion made by Mr. Daniel, seconded by Mr. DeMent. The motion carried.

Mid-West Electric Consumers Association Annual Meeting – All directors were authorized to attend by a motion made by Mr. Rogen, seconded by Mr. Roskamp. The motion carried. Director Roskamp was nominated to serve as the voting delegate and Director Daniel as the alternate by a motion made by Mr. DeMent, seconded by Mr. Johnson. The motion carried.

OTHER BUSINESS

There was no other business.

NEXT MEETING

The next regular board meeting will be held on Tuesday, October 25, 2022, at 8:30 a.m. in the Colman boardroom.

ADJOURNMENT

Mr. Johnson made a motion to adjourn the Sioux Valley Energy board meeting at 2:50 p.m., seconded by Mr. Daniel. The motion carried.

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Donald DeGreef, Secretary

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