

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.  
September 28, 2020**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on September 28, 2020 commencing at 8:30 a.m. at the East River Electric Oahe Training Center.

The meeting was called to order by President Allan Weinacht who presided and Allan Kooima, Secretary, acted as Secretary.

Roll call showed the following members present:

Rodney DeMent	Dan Leuthold	Allan Weinacht
Don DeGreef	Gregg Johnson	Allan Kooima
Bruce Martinson	Lucas Roskamp	Dave Daniel
Gary Fish	Mark Rogen	

All directors were present. Also present were Attorney Alan Peterson, General Manager Tim McCarthy, management staff members Betty VanDerWerff, Carrie Vugteveen, Ted Smith (via teleconference) and Debra Biever along with Executive Assistant, Brenda Schelhaas. Guest in attendance via teleconference was Jay Buchholz, Key Account and Community Relations Executive.

**REVIEW AND CONSIDERATION OF AGENDA**

The agenda was presented for consideration. A motion to approve the agenda was made by Mr. Kooima, seconded by Mr. Fish. The motion carried.

**REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES**

A motion to approve the corrected minutes of the August 24, 2020 regular board meeting was made by Mr. DeGreef, seconded by Mr. Leuthold. The motion carried.

**YEAR END PROJECTION**

Manager McCarthy reviewed the 2020 operating budget year end projections. His review included the original 2020 budget and the financial impact of lower sales and budget cuts.

**FINANCIAL/RATE FORECAST**

Manager McCarthy called upon Betty VanDerWerff who reviewed the 10-Year Financial Forecast for the Cooperative for the years 2020-2029. Her review included forecast assumptions for operating expenses, load forecast, power cost, financing, depreciation and capital credit retirements along with the impact on the Minimum Debt Service Coverage (MDSC), rates, revenue requirements, equity and Times Interest Earned Ratio (TIER).

REVIEW AND CONSIDERATION OF REED LOAN

Manager McCarthy called upon Betty VanDerWerff to present the request for a \$500,000 REED loan from an early-stage molecular diagnostics company that is planning to lease a building in Dell Rapids for customer service and operations. The REED loan would be used to finance working capital and startup costs. A motion was made by Mr. Martinson to approve the REED loan for \$500,000, seconded by Mr. Kooima. The motion carried.

CORSON DEVELOPMENT ASSOCIATION, LLP

Manager McCarthy reviewed a "Consent to Dissolution and Final Distribution of Capital Accounts" document from the Brandon Development Foundation regarding the Corson Development Association, LLP. A motion was made by Mr. Rogen to approve the dissolution and final distribution agreement, seconded by Mr. Fish. The motion carried.

ACSI REVIEW

Keith Kaderly from Inside Information, LLC presented a webinar on the 2020 ACSI score/survey results for Sioux Valley Energy. Mr. Kaderly shared that the survey was conducted by contacting randomly selected SVE members. He also showed statistics from this year's survey and the history of ACSI scores. SVE scored an 87 which is one point lower than last year. However, given the circumstances of 2020 (global pandemic and rate increase), this is a very good score.

TOUCHSTONE ENERGY ANNUAL BUSINESS MEETING

Manager McCarthy received notice from Touchstone Energy that SVE needs to name a voting delegate or proxy for the Annual Electronic Business Meeting of Touchstone Energy Cooperative, Inc. A motion was made by Mr. Leuthold to name East River Electric as SVE's voting proxy, seconded by Mr. Kooima. The motion carried.

BYLAW REVIEW

Manager McCarthy called upon Carrie Vugteveen to review the proposed bylaw changes. Carrie explained the updates that had been made since last month's board meeting. A motion was made by Mr. DeMent to accept the bylaw changes, seconded by Mr. Martinson. The motion carried.

Carrie Vugteveen presented information regarding a 2020 Special Meeting of the Members. This meeting would be held for the purpose of allowing the membership consideration of recommended bylaw amendments. Mr. Martinson made a motion to approve the 2020 Special Meeting of the Members Resolution, seconded by Mr. Johnson. Further discussion was held regarding members having an additional option of mailing in their ballot along with extending the length of time to submit ballots. Mr. Martinson made a motion to take the 2020 Special Meeting of the Members Resolution off the table and reconsider, seconded by Mr. Johnson. The motion carried. Staff was asked to change the language in the resolution and to bring the resolution back to the Board for consideration.

DISTRICT MEETING DISCUSSION

Discussion was held regarding the 2021 district meetings. Given the current Covid-19 Pandemic, it may be difficult to find venues that can safely host the meetings and follow social distancing guidelines. The Board asked that Staff begin contacting venues to determine the options for the district meetings.

LEGISLATIVE FORUM

Manager McCarthy shared that he had discussed the legislative forum with Brad Schardin, General Manager of Southeastern Electric. Manager McCarthy's recommendation is to send an information packet to legislators in our area instead of hosting a legislative forum. The Board agreed SVE will not host a legislative forum this year.

SMEC DIRECTOR RESOLUTION

Manager McCarthy shared that his position on the SMEC Board of Directors will expire at the end of this year. Manager McCarthy must be voted into his position on the board. Mr. Fish made a motion to support Manager McCarthy serving on the SMEC Board of Directors, seconded by Mr. Roskamp. The motion carried.

**WHEREAS**, Tim McCarthy is currently the General Manager/CEO of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) and Tim McCarthy meets the qualifications of a director as per SMEC Bylaws and Articles;

**NOW, THEREFORE BE IT RESOLVED**, that the Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) Board of Directors nominates General Manager/CEO Tim McCarthy to represent them on the SMEC Board of Directors.

BYLAW REVIEW (continued)

Manager McCarthy called upon Carrie Vugteveen to present an updated 2020 Special Meeting of the Members Resolution. A motion was made by Mr. Kooima to approve the 2020 Special Meeting of the Members resolution, seconded by Mr. Daniel. The motion carried.

**WHEREAS**, Sioux Valley Southwestern Electric Inc. has faced various challenges while attempting to hold meetings of the members and director elections during the COVID-19 pandemic due to public health concerns; and

**WHEREAS**, the Cooperative's bylaws do not allow for flexibility during public health emergency situations such as a pandemic; and

**WHEREAS**, the Board of Directors of Sioux Valley Southwestern Electric Cooperative Inc. has reviewed the bylaws and recommend several amendments to allow for alternatives during the COVID-19 pandemic along with other cursory amendments;

**THEREFORE, BE IT RESOLVED** that the Board of Directors of Sioux Valley Southwestern Electric Cooperative Inc. does hereby sanction a special meeting of the members to be called to order on November 12, 2020 at 7 p.m. The purpose of said meeting is to allow the membership consideration of recommended bylaw amendments. The special meeting of the members will continue with voting via paper ballot deposited into a locked drop box located at one of the Cooperative service centers in Brandon, Pipestone or Colman or through the United States Postal Service. The meeting will recess, and voting will end on November 25, 2020. All ballots must be received in the locked drop box or postmarked by November 25, 2020. Any ballots received or postmarked after that date will not be counted.

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.

REVIEW AND CONSIDERATION OF MAC MEETING DATE

Manager McCarthy reviewed agenda items to be discussed at a Member Advisory Council (MAC) meeting. Mr. DeGreef made a motion to approve November 12, 2020 as the next MAC meeting date, seconded by Mr. Kooima. The motion carried.

REVIEW OF BYLAWS ARTICLE IV SECTION 4 DIRECTOR DISTRICTS

Material was presented by Staff which showed the current district boundaries, accounts served, services per mile of line and kWh sales by district. The Board reviewed the material presented and no changes will be made to the director districts.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy reviewed key highlights from the East River General Manager's Report. His review included Jeff May's selection as East River's new Chief Information Officer, rising business inquiries in South Dakota, REED and projected low interest rates for the immediate future.

Manager McCarthy also reviewed wholesale power purchases, sales, revenue and the open balance register. He noted that SVE set an all-time summer peak of 146,195 MW in August 2020.

Manager McCarthy called upon Ted Smith to discuss the Basin 2021 load forecast. Ted commented that the Basin forecast doesn't correlate with SVE's projections and he will be in contact with Basin.

Manager McCarthy reviewed the Customer Satisfaction Survey. He explained how the survey is conducted and gave additional information regarding this month's results.

Manager McCarthy discussed the Zoom meetings that have been held with representatives and senators from South Dakota and Minnesota. On these calls, operational adjustments due to Covid-19 and the Flexible Financing of Rural America Act that is currently being considered in Congress have been discussed.

Manager McCarthy noted that there has been an increase in public contacts recently. A series of electrical farm safety messages are being broadcast on various media outlets.

ACCEPT MANAGER'S REPORT

A motion to accept the Manager's Report was made by Mr. Daniel, seconded by Mr. Fish. The motion carried.

REPORTS ON POWER SUPPLY MEETINGS

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

East River Annual Meeting – Mr. Fish reported on his attendance of the East River annual meeting.

East River Resolutions Committee – Mr. DeGreef reported on his attendance of the East River Resolutions Committee meeting.

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

REPORTS ON MEETINGS ATTENDED

SDREA Board Meeting – Mr. Kooima reported on his attendance of the SDREA board meeting.

NOTICES OF MEETINGS, SELECTION OF DELEGATES AND ATTENDANCE AUTHORIZATION

East River Annual Meeting - Director Martinson and Director Weinacht, who attended this event virtually September 9, 2020, were retroactively authorized to attend by a motion made by Mr. Fish, seconded by Mr. Kooima. The motion carried.

NRECA Regional Meetings - Director DeMent and Director DeGreef were authorized to attend the virtual NRECA Regional Meetings, October 13-15, 2020 and Director DeMent was nominated to serve as the voting delegate with Director DeGreef as alternate by a motion made by Mr. Daniel, seconded by Mr. Martinson. The motion carried.

CFC District 6 Meeting - Director DeMent and Director DeGreef were authorized to attend the virtual CFC District 6 Meeting, October 15, 2020 and Director DeMent was nominated to serve as the voting delegate with Director DeGreef as alternate by a motion made by Mr. Kooima, seconded by Mr. Leuthold. The motion carried.

Basin District 2 L & O Caucus - Director Leuthold and Director Roskamp were authorized to attend the Basin District 2 L & O Caucus, October 28, 2020 in Rock Rapids, IA and Director Leuthold was nominated to serve as the voting delegate with Director Roskamp as alternate by a motion made by Mr. Roskamp, seconded by Mr. Johnson. The motion carried.

Basin Annual Meeting - Director Fish and Director Martinson were authorized to attend the virtual Basin Annual Meeting, November 4, 2020 and Director Fish was nominated to serve as the voting delegate with Director Martinson as alternate by a motion made by Mr. DeMent, seconded by Mr. Roskamp. The motion carried.

Mid-West Electric Consumers Association Annual Meeting - Director Roskamp and Director Daniel were authorized to attend the virtual Mid-West Electric Consumers Association Annual Meeting, December 9, 2020 and Director Roskamp was nominated to serve as the voting delegate with Director Daniel as alternate by a motion made by Mr. DeMent, seconded by Mr. Kooima. The motion carried.

Canceled - NRECA Winter School for Directors, December 11-16, 2020 Nashville, TN

OTHER BUSINESS

Discussion was held regarding changing the Sioux Valley Energy monthly board meeting day from the fourth Monday to the fourth Tuesday of each month. The Board decided that board meetings will be held on the fourth Tuesday of each month beginning in January 2021.

President Weinacht recognized Director Kooima for his completion of the NRECA Board Leadership Certification program and presented a Certificate of Completion from NRECA to Director Kooima.

President Weinacht recognized Director DeGreef and Director Roskamp for their completion of the NRECA Credentialed Cooperative Director program and presented them each with a Certificate of Completion from NRECA.

EXECUTIVE SESSION

Mr. Kooima made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Martinson at 1:53 p.m. The motion carried. All directors were in attendance. The executive session adjourned at 3:35 p.m.

NEXT MEETING

The next regular board meeting will be held on Monday, October 26, 2020 at 8:30 a.m.

ADJOURNMENT

Mr. Johnson made a motion, seconded by Mr. DeGreef to adjourn the Sioux Valley Energy board meeting at 3:45 p.m. The motion carried.

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Allan Kooima, Secretary

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