

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
October 26, 2020**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on October 26, 2020 commencing at 8:30 a.m. via teleconference. Teleconference was necessary due to the COVID-19 pandemic.

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 and Debra Bieber along with Executive Assistant, Brenda Schelhaas. Guest in attendance was Toni Kruger, Supervisor of Member Services.

REVIEW AND CONSIDERATION OF AGENDA

The agenda was presented for consideration. Manager McCarthy asked that Brandon Development Foundation be added as agenda item 8, Legislative Forum be added as agenda item 9 and Lobby Access added under Other Business. A motion to approve the agenda as amended was made by Mr. Fish, seconded by Mr. Martinson. The motion carried.

REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES

A motion to approve the minutes of the September 28, 2020 regular board meeting was made by Mr. Kooima, seconded by Mr. Daniel. The motion carried.

REVIEW AND CONSIDERATION OF PROPOSED WRITE-OFF OF UNCOLLECTABLE ACCOUNTS

Manager McCarthy called upon Debra Bieber to review the proposed write-off of uncollectable electric energy and miscellaneous receivable/loan accounts. The total write-off amount is \$12,319.69 compared to \$15,520.11 in 2019. SVE will retain \$6,274.21 in unretired capital credits to offset part of this write-off, resulting in a net write-off of \$6,045.58. A motion was made by Mr. DeGreef to approve the proposed write-off of uncollectable accounts, seconded by Mr. Johnson. 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.

CFC KEY RATIO TREND ANALYSIS

Manager McCarthy called upon Betty VanDerWerff who reviewed the CFC Key Ratio Trend Analysis (KRTA) report. Her review included key system operating, expense and growth ratios for a five-year period ending December 2019. The KRTA report also showed comparisons to other cooperatives nationally, in South Dakota, and in Minnesota.

BRANDON DEVELOPMENT FOUNDATION

Manager McCarthy reviewed a request from the Brandon Development Foundation regarding the Corson Development Association. The Brandon Development Foundation proposed a change to the structure of the dissolution payouts to maximize the tax advantage offered in tax laws pertaining to this specific type of non-profit organization. A motion was made by Mr. Fish to authorize Manager McCarthy to sign the revised Consent for Dissolution, seconded by Mr. Rogen. The motion carried.

LEGISLATIVE FORUM

Manager McCarthy and Carrie Vugteveen lead a discussion regarding a legislative forum. A decision was made at the September 28, 2020 board meeting to not hold a legislative forum in person due to the COVID-19 pandemic. Since that time, there has been significant interest in holding a virtual meeting to reach out to legislators. Staff will work with East River, Southeastern Electric and SDREA to develop materials for the event. Plans are to hold the forum in late November or early December.

DISTRICT MEETING DISCUSSION

Discussion was held regarding the 2021 district meetings. Given the current COVID-19 pandemic, schools aren't allowing events to be held in their facilities which limits the locations to host district meetings. However, facilities have been secured for the three districts with director elections and tentative dates have been set. The proposed bylaw changes, if passed by the membership, could have an impact on how the district meetings are held in 2021.

REVIEW AND CONSIDERATION OF SPECIAL MEETING CREDENTIAL COMMITTEE

Carrie Vugteveen presented the credential committee willing to serve for the Special Meeting of the Membership on November 12, 2020. Mr. Johnson made a motion to approve the following credential committee, seconded by Mr. Martinson. Motion carried.

Monte Albertson

Connie Hillard

Tim Dunn

Greg Benda

Nancy Hinricher

Jed Huisman

Marvin VanKekerix

REVIEW AND CONSIDERATION OF ATTORNEY'S QUARTERLY EXPENSE STATEMENT

Executive Assistant, Brenda Schelhaas, presented the quarterly expense statement for Attorney Peterson. A motion to approve payment of the Attorney's expense statement for July through September 2020 in the amount of \$18,829.78 was made by Mr. Fish, seconded by Mr. Roskamp. 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 2020 and found all expenses to be in order. The report was accepted and payment of the General Manager's statement was approved per a motion made by Mr. Daniel, seconded by Mr. Leuthold. The motion carried.

STRATEGIC PLANNING

No discussion was held concerning strategic planning.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy reviewed key highlights from the East River General Manager's Report. There is strong interest in business development in South Dakota, particularly in the medical technology, medical research and advanced technology/artificial intelligence industries. Driving factors for businesses relocating or starting up in South Dakota include the work force, favorable tax situation and the fact that clinical trials have kept going during the COVID-19 pandemic. Manager McCarthy also provided information about a local investment fund-Farmers for Innovation, right of way issues, the Basin Members Manager's Conference and the RUS refinancing bill.

Manager McCarthy also reviewed wholesale power purchases, sales, revenue and the open balance register.

ACCEPT MANAGER'S REPORT

A motion to accept the Manager's Report was made by Mr. Roskamp, seconded by Mr. Rogen. 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 that the L & O Power meeting will be held on October 28th.

REPORTS ON MEETINGS ATTENDED

NRECA Regional Meeting/CFC District 6 Meeting – Mr. DeMent reported on his attendance of the NRECA Regional meeting and the CFC District 6 meeting.

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

NOTICES OF MEETINGS, SELECTION OF DELEGATES AND ATTENDANCE AUTHORIZATION

Basin Annual Meeting - All directors were authorized to attend the virtual Basin Annual Meeting, November 4, 2020 at the East River Oahe Training Center by a motion made by Mr. Martinson, seconded by Mr. DeGreef. The motion carried.

SDREA Annual Meeting - Director Kooima and Director Weinacht were authorized to attend the SDREA Annual Meeting, January 14-15, 2021 in Pierre, SD by a motion made by Mr. Johnson, seconded by Mr. Leuthold. The motion carried.

NRECA PowerXchange - All directors were authorized to attend the virtual NRECA PowerXchange, February 18-24, 2021 by a motion made by Mr. Daniel, seconded by Mr. DeMent. The motion carried.

OTHER BUSINESS

Manager McCarthy discussed the PowerPoint presentations that were included with the board packet this month. PowerPoint presentations will be emailed with the board packet when they are available. Manager McCarthy noted that the slides may be updated prior to the board meeting.

Manager McCarthy and Debra Biever discussed opening lobby access to members. Debra provided information regarding the SVE COVID-19 pandemic response and recent statistics from Minnesota and South Dakota. Staff and the COVID-19 Pandemic Response committee will continue to monitor the situation and evaluate when the lobbies will be opened based on virus activity.

EXECUTIVE SESSION

Mr. Johnson made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Martinson at 11:20 a.m. The motion carried. All directors were in attendance. The executive session adjourned at 11:50 a.m.

REVIEW AND CONSIDERATION OF MARKET RATE CHANGE

Mr. Fish made a motion to approve the market rate change that was discussed in executive session, seconded by Mr. Roskamp. The motion carried.

NEXT MEETING

The next regular board meeting will be held on Monday, November 23, 2020 at 8:30 a.m. via Zoom.

ADJOURNMENT

Mr. Martinson made a motion, seconded by Mr. Leuthold to adjourn the Sioux Valley Energy board meeting at 11:55 a.m. The motion carried.

Allan Kooima, Secretary

Approved: _____