

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.**
March 23, 2021

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on March 23, 2021 commencing at 8:30 a.m. via Zoom.

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 Biever along with Executive Assistant, Brenda Schelhaas. Guest in attendance was Dr. Leslie Heinemann.

REVIEW AND CONSIDERATION OF AGENDA

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

REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES

A motion to approve the minutes of the February 23, 2021 regular board meeting was made by Mr. Fish, seconded by Mr. Kooima. The motion carried.

REVIEW AND CONSIDERATION OF PROPOSED L&O RESOLUTION

Manager McCarthy presented the Annual Meeting of L&O Power Cooperative Resolution. Mr. Weinacht was authorized as the voting delegate for the L&O Annual Meeting at the February 23, 2021 Sioux Valley Energy board meeting. Mr. Johnson was nominated to serve as the alternate voting delegate by a motion made by Mr. Rogen, seconded by Mr. DeGreef. The motion carried. The following resolution was approved per a motion made by Mr. Roskamp, seconded by Mr. Daniel. The motion carried.

RESOLUTION

WHEREAS, the Annual Meeting of L&O Power Cooperative will be held on Tuesday, April 6, 2021; and

WHEREAS, it is necessary that this Cooperative appoint a voting delegate and alternate delegate to act for and on behalf of the member Cooperative at such meeting;

THEREFORE, BE IT RESOLVED, that Allan Weinacht be and he is hereby named as this Cooperative's voting delegate and that Gregg Johnson be and he is hereby named as this Cooperative's alternate voting delegate at the Annual Meeting of L&O Power Cooperative and that said voting delegate (or alternate) be instructed to place in nomination at said annual meeting the names of Lucas Roskamp, Dan Leuthold, and Gregg Johnson as Directors to represent the Cooperative on the L&O Board for the ensuing year.

IT IS HEREBY ORDERED that an instrument, in writing, be prepared and executed by the Secretary of this Cooperative, under its corporate seal and setting forth said authority pursuant to this Resolution;

REVIEW AND CONSIDERATION OF WESTERN AREA POWER ADMINISTRATION (WAPA) AGREEMENT

Manager McCarthy called upon Betty VanDerWerff to present a WAPA bill crediting contract with the Flandreau Santee Sioux Tribe, Basin Electric, East River Electric, and Sioux Valley Energy. SVE provides power to Prairie Junction gas and convenience store which is owned by the Flandreau Santee Sioux Tribe. Per the contract, WAPA will issue a credit in the months of May through October. The credit will pass through Basin Electric, East River Electric, Sioux Valley Energy, and ultimately will show as a bill credit on the Prairie Junction electric billing statement. The contract will become effective as of January 1, 2021 and terminate on December 31, 2050. A motion was made by Mr. Martinson to approve the contract, seconded by Mr. Johnson. The motion carried.

STRATEGIC PLANNING

Manager McCarthy shared that the strategic leadership team has set a date in May to review the customer segmentation survey results. Staff will review the data and determine if there are any additional topics that need to be added to the strategic planning session that is scheduled in August. Manager McCarthy discussed the items that are currently on the strategic planning agenda. The agenda includes rate strategy, five-year capital credit retirement plan, asset direction/headquarter location, political participation, and the value-added loan program (expand beyond agriculture).

COVID-19 UPDATE

Manager McCarthy called upon Debra Biever to provide a COVID-19 pandemic response update. Debra explained that the state of South Dakota has moved onto the next COVID-19 vaccination group and all SVE employees will have the opportunity to be vaccinated in March. Plans are being made to officially open service center doors and have office employees return to regular work locations on Monday, May 10th. All COVID-19 safety protocols identified in SVE's Safer Return to Work Playbook will need to be followed.

Manager McCarthy called upon Carrie Vugteveen to give an update on the district meeting plans. Carrie noted that district meetings will only be held for those meetings with elections. The district meetings will look different than they have in the past as there will be no sit-down meal or formal gathering. Each location will have several lines with a one-way flow in and out. Members will register, vote, and pick up a prewrapped meal as they leave. Stations will be set up to limit touch points and sneeze guards along with lane guards will be installed. COVID-19 safety protocols will be followed. Carrie also stated that plans are being made for the Annual meeting which will be held at the Luverne Drive-In on June 8th.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy gave an update on the Dakota Events CompleX (DEX). At the board meeting on February 23, 2021, the Board approved donating \$7,500 toward this project. This donation will be matched by CoBank. Manager McCarthy had a discussion with Ed Anderson from SDREA and due to a strong response from other cooperatives, Sioux Valley

Energy will likely only have to ask CoBank to match \$5,000 of the \$7,500 contribution. CoBank will match up to \$10,000 at each cooperative in a calendar year so this will leave \$5,000 for Sioux Valley Energy to utilize for other organizations in 2021. Mr. Anderson will finalize the numbers in the near future.

Manager McCarthy discussed key highlights from the East River General Manager's Report including business development, the Dakota Energy lawsuit, Basin FERC proceedings, the SolarWinds software attack, an Oldsmar Florida water treatment breach, a FERC and NERC joint inquiry into cold weather grid operations, Basin members' letter to President Biden regarding the Keystone XL pipeline, Minnesota and South Dakota legislative sessions, and a biofuels bill that has been introduced by South Dakota Senator John Thune and Minnesota Senator Amy Klobuchar.

Carrie Vugteveen gave an update on several bills that have been introduced in the Minnesota 2021 legislative session.

Manager McCarthy reviewed wholesale power purchases, sales, and revenue. He noted that SVE's overall system peak load at 150,352 kW for February 2021 was the Cooperative's third highest winter peak.

At the Touchstone Energy winter board meeting, Manager McCarthy was nominated and elected to the position of Secretary/Treasurer for the Touchstone Energy organization.

Manager McCarthy reviewed the February accidents and noted there had been one injury accident at the Pipestone office where an employee slipped on the ice near an entrance door. The Safety Committee recommended using the main entrance door until this issue is fixed.

ACCEPT MANAGER'S REPORT

A motion to accept the Manager's Report was made by Mr. Leuthold, seconded by Mr. DeGreef. 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 PowerXchange/TechAdvantage – Directors DeMent and DeGreef reported on their attendance of NRECA's PowerXchange/TechAdvantage.

MREA Annual Meeting – Directors Johnson, Leuthold, Roskamp, and DeGreef reported on their attendance of the MREA Annual Meeting.

BLC 971.1 Governance Challenges Evolving Distribution Coops – Director DeGreef reported on his attendance of this board leadership class.

CoBank Customer Meeting – Directors Martinson, Rogen, Daniel, Weinacht, DeMent, Johnson, and DeGreef reported on their attendance of the CoBank Customer Meeting.

Sioux Valley Energy All Employee Safety Meeting – Director Weinacht reported on his attendance of the SVE All Employee Safety Meeting.

NOTICES OF MEETINGS, SELECTION OF DELEGATES AND ATTENDANCE AUTHORIZATION

CFC Annual Meeting and Forum, June 14-16, 2021 San Antonio, TX – Director Rogen was authorized to attend by a motion made by Mr. Martinson, seconded by Mr. Johnson. The motion carried.

OTHER BUSINESS

Mr. DeMent expressed interest in writing a blog regarding his experience driving Sioux Valley Energy's new electric vehicle, EVie.

EXECUTIVE SESSION

Mr. Daniel made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Roskamp at 10:45 a.m. The motion carried. All directors were in attendance. No action was taken. The executive session adjourned at 11:20 a.m.

NEXT MEETING

The next regular board meeting will be held on Tuesday, April 27, 2021 at 8:30 a.m. via Zoom.

ADJOURNMENT

Mr. Rogen made a motion, seconded by Mr. Roskamp to adjourn the Sioux Valley Energy board meeting at 11:25 a.m. The motion carried.

Allan Kooima, Secretary

Approved: _____