

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
September 29, 2026**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on September 29, 2026, commencing at 8:30 a.m. in the Colman boardroom.

The meeting was called to order by President Dan Leuthold, who presided, and Secretary Don DeGreef, who acted as Secretary.

Roll call showed the following members present:

Don DeGreef	Dan Leuthold	Chris Rieff
Ann Vostad	Dave Daniel	Gary Fish
Lucas Roskamp	Allan Weinacht	Dr. Leslie Heinemann
Gregg Johnson	Mark Rogen-Virtual	

Also present were Attorney Mike Nadolski (virtual), General Manager Tim McCarthy, Strategic Leadership Team members Ted Smith (virtual), Jason Maxwell, Justin Moose, and Kimberlee Hansen along with Executive Assistant, Brenda Schelhaas.

INTRODUCTION OF DISTRICT 8 MEMBER ADVISORY COUNCIL MEMBER

President Leuthold introduced District 8 Member Advisory Council (MAC) member Keith Elbers.

REVIEW AND CONSIDERATION OF AGENDA

The agenda was presented for consideration. President Leuthold asked that agenda item 23. Executive Session be moved to agenda item 6A. He also asked that agenda item 14. Review and Consideration of Amendment to Underground Labor Only Construction Agreement be moved to 6B. and Billing Cycle Change be added as 6C. A motion to approve the amended agenda was made by Mr. Weinacht, seconded by Dr. Heinemann. The motion carried.

REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES

A motion to approve the minutes of the August 25, 2026, regular board meeting was made by Ms. Vostad, seconded by Mr. Rieff. The motion carried.

EXECUTIVE SESSION

Mr. Weinacht made a motion to move into executive session to discuss internal cooperative business, seconded by Ms. Vostad at 8:35 a.m. The motion carried. The executive session adjourned at 8:38 a.m.

REVIEW AND CONSIDERATION OF AMENDMENT TO UNDERGROUND LABOR ONLY CONSTRUCTION AGREEMENT

Manager McCarthy called upon Ted Smith to review the current Underground Labor Only Construction Agreement and the need for an amendment. Discussion was held and Mr.

Daniel made a motion to approve the amendment to the Underground Labor Only Construction Agreement, seconded by Mr. Johnson. The motion carried.

BILLING CYCLE CHANGE

Manager McCarthy explained the recent billing cycle changes and the impact on some SVE members. Sioux Valley Energy will be applying a prorated Basic Service Charge credit to all members who were impacted by this change. This credit will be applied to billing statements prior to January 1, 2027.

REVIEW AND CONSIDERATION OF FORWARD SIOUX FALLS CAMPAIGN DONATION

Manager McCarthy reviewed a request from Forward Sioux Falls for a donation of \$7,500 per year for the next four years. Discussion was held and Mr. Rogen made a motion to approve a donation of \$7,500 per year for the next four years, seconded by Mr. Roskamp. The motion carried.

REVIEW AND CONSIDERATION OF PROPOSED RESOLUTION-GENERAL RETIREMENT AND FORFEITURE OF UNCLAIMED CAPITAL CREDITS

Manager McCarthy called upon Jason Maxwell to present options for the 2026 general capital credit retirement. Discussion was held and a motion was made by Ms. Vostad to approve a resolution providing for the general retirement of capital credits in the amount of \$2,270,000 using a hybrid method of 90% to retire the oldest capital credits (2002-100% and 2003-45%) on the books and 10% to retire the newest capital credits (2025-10%) on the books, along with forfeiture of unclaimed capital credits retired in 2020, seconded by Mr. DeGreef. 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 2026 in the amount of \$2,270,000,

AND BE IT FURTHER RESOLVED; that the Board of Directors of Sioux Valley Energy declares the forfeiture of unclaimed capital credits retired in 2020 to South Dakota accounts unless claimed within six months from the date of this resolution or notification required by the state.

REVIEW OF FORM 990

The Internal Revenue Service Form 990 was attached with the board meeting materials for review and presented at the board meeting by Jason Maxwell. The report will be filed in October.

REVIEW AND CONSIDERATION OF BOARD MEETING DATE CHANGE

Due to a conflict with other meetings, the February 2027 board meeting date was changed to February 25, 2027 by a motion made by Mr. Weinacht, seconded by Mr. Roskamp. The motion carried.

REVIEW AND CONSIDERATION OF DATE FOR 2027 WORK PLAN AND BUDGET MEETING AND DECEMBER 2027 BOARD MEETING

The 2027 Work Plan and Budget meeting and the December 2027 board meeting date was set for December 17, 2027 with a backup date of December 20, 2027, by a motion made by Mr. Roskamp, seconded by Mr. Johnson. The motion carried.

REVIEW AND CONSIDERATION OF 2027 DISTRICT MEETING SCHEDULE

The proposed schedule of dates and locations for the 2027 district meetings was reviewed. Mr. Rieff made a motion to approve the 2027 proposed district meeting schedule, seconded by Mr. Fish. The motion carried.

<u>MEETING DATE</u>	<u>DIRECTOR/DISTRICT</u>	<u>TOWN</u>	<u>LOCATION</u>
February 18	Roskamp (10)	Edgerton MN	Edgerton Public School
February 25	Leuthold* (8)	Luverne MN	Generations
March 1	Fish & Rogen (6)	Brandon SD	Brandon Valley High School
March 9	Heinemann* (3)	Flandreau SD	Flandreau Community Center
March 11	Johnson (9)	Pipestone MN	Pipestone Area High School
March 15	DeGreef* (1)	White SD	McKnight Hall
March 16	Weinacht (5)	Colton SD	Tri-Valley High School
March 22	Vostad (2)	Volga SD	Sioux Valley High School
March 25	Rieff (7)	Hartford SD	West Central High School
March 30	Daniel (4)	Madison SD	Dakota Prairie Playhouse

*denotes election meeting

REVIEW AND CONSIDERATION OF SDREA LEGISLATIVE COMMITTEE MEMBER

Director Rogen was nominated to serve a three-year term on the SDREA Legislative Committee by a motion made by Mr. Daniel, seconded by Mr. Weinacht. The motion carried.

STRATEGIC PLANNING

Manager McCarthy noted that Carrie Vugteveen is working on incorporating the recent strategic planning outcomes into the Organizational Plan which will be presented at next month's board meeting.

POLICY REVIEW

Manager McCarthy reviewed Board Policy 5 and Board Operating Guides 5-1, 5-2, 5-3, and 5-4. Ms. Vostad made a motion, seconded by Dr. Heinemann, to approve the board policy and board operating guides. The motion carried.

ARTIFICIAL INTELLIGENCE (AI) PRESENTATION

Manager McCarthy called upon Justin Moose to provide the Board with information regarding Artificial Intelligence (AI). His review included Management Operating Procedure 6-M-110 Artificial Intelligence (AI) Acceptable Use along with current and future AI use at SVE.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Jason Maxwell provided a statistical and financial summary for the period ending August 2026.

Manager McCarthy discussed the Operation Round Up Board's decision to redesign the scholarship program. The redesign will help streamline the program, improving objectivity and the time commitment of employees and volunteers.

Manager McCarthy presented key highlights of the East River General Manager's report including the Iranian attack on critical infrastructure.

ACCEPT GENERAL MANAGER'S REPORT

A motion to accept the General Manager's Report was made by Mr. Roskamp, seconded by Mr. Rieff. The motion carried.

REPORTS ON POWER SUPPLY MEETING

L&O Power – Director Roskamp reported on his attendance of the L&O Power meeting.

East River – Director Fish reported on his attendance of the East River board meeting.

REPORTS ON MEETINGS ATTENDED

SDREA Board Leadership Summit – Director DeGreef reported on his attendance of this summit.

NRECA Regional 5&6 Meeting – Directors Roskamp, Johnson, and Fish reported on their attendance of this meeting.

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

NOTICES OF MEETINGS, SELECTION OF DELEGATES, AND ATTENDANCE AUTHORIZATION

Legislative Luncheon, November 23, 2026 Sioux Falls, SD – All directors were authorized to attend per a motion made by Mr. Weinacht, seconded by Mr. Roskamp. The motion carried.

NEXT MEETING

The next regular board meeting will be held on Tuesday, October 27, 2026, in the Colman boardroom.

ADJOURNMENT

Mr. Roskamp made a motion to adjourn the Sioux Valley Energy board meeting at 11:50 a.m., seconded by Mr. Rieff. The motion carried.

Donald DeGreef, Secretary

Date Approved: _____