

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.  
November 25, 2025**

The regular meeting of the Board of Directors of Sioux Valley-Southwestern Electric Cooperative, Inc. (DBA Sioux Valley Energy) was held on November 25, 2025 commencing at 8:30 a.m. in the Colman boardroom.

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

Roll call showed the following members present:

Don DeGreef (virtual)	Dan Leuthold	Rodney DeMent (virtual)
Ann Vostad	Dave Daniel	Allan Weinacht
Lucas Roskamp	Mark Rogen (virtual)	Dr. Leslie Heinemann
Gregg Johnson	Gary Fish	

Also present were Attorney Mike Nadolski, General Manager Tim McCarthy, Strategic Leadership Team members Ted Smith, Jason Maxwell, Justin Moose, Carrie Vugteveen, and Kimberlee Hansen along with Executive Assistant, Brenda Schelhaas. Guests in attendance were Nathan Zimmerman, Jay Buchholz, Chris Graff, and Molly Burmeister.

**REVIEW AND CONSIDERATION OF AGENDA**

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

**REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES**

A motion to approve the minutes of the October 28, 2025 regular board meeting was made by Mr. Roskamp, seconded by Mr. Johnson. The motion carried.

**2026 BUDGET PREVIEW AND RATE DESIGN**

Manager McCarthy called upon Jason Maxwell to provide an overview of the 2026 budget. Key highlights of the overview included wholesale power purchases, sales revenue, demand rates, and the rate outlook for 2026. Jason noted that Sioux Valley Energy's current rates are not sufficient to meet financial requirements and budgeted expense levels for 2026. The estimated revenues are approximately \$10.5 million short.

Nick Nelson, Rate and Financial Consultant, from Power System Engineering, Inc. (PSE) presented on Rate Design. This presentation included a study of current rates, revenue requirements, rate design changes, and some changes to rate schedule wording. The Board reviewed four rate scenarios and agreed that a rate increase will be needed in 2026. Dr. Heinemann made a motion to approve a rate increase utilizing Option 3 which includes no increase in the Basic Service Charge effective January 1, 2026, seconded by Mr. Rogen. The motion passed with Directors Daniel and DeMent voting against. Discussion was held regarding the rate increase percentage. A motion was made by Mr. Daniel to approve a 9.1% increase, seconded by Mr. Weinacht. The motion carried.

### 2025 REVIVE 2030 FEEDBACK MEETING REVIEW

Manager McCarthy called upon Carrie Vugteveen to discuss the REVIVE 2030 Strategic Planning sessions that were held this fall in Colton, SD and Hardwick, MN. The events welcomed county commissioners, mayors, city council members, township leaders, state agencies, and senators for constructive discussions on the future of SVE's region. Key insights from these meetings included economic development, community development, and infrastructure development. Strategic priorities will focus on a leadership development program, quarterly leadership roundtables, storytelling and messaging workshops, and technical assistance.

### REVIEW AND CONSIDERATION OF RUS LABOR ONLY CONSTRUCTION CONTRACT-UNDERGROUND

Manager McCarthy called upon Ted Smith to present the proposed labor only contract for underground construction work for 2026. Pricing analysis was done for two contractors, and discussion was held by the Board. Mr. Weinacht made a motion to authorize the Board Chair and Secretary to execute one-year labor only contracts to May Construction and Precision Contracting on a non-bid basis, seconded by Dr. Heinemann. The motion carried.

### NETWORK SECURITY TESTING

Manager McCarthy called upon Justin Moose to review the annual network and web application security testing that was recently completed by Secure Banking Solutions (SBS) Cybersecurity. Justin stated that there were no high priority security vulnerabilities identified during the testing. Justin also reviewed two sections of the East River General Manager's report regarding China's cyber intrusions into the United States infrastructure and the recent "ShadowLeak" AI attack.

### REVIEW AND CONSIDERATION OF STRATEGIC PLANNING SESSION DATE

Possible dates for the 2026 Strategic Planning Session were discussed. Mr. Roskamp made a motion to hold the 2026 Strategic Planning Session on July 20, 2026, seconded by Ms. Vostad. The motion carried.

### STRATEGIC PLANNING

Manager McCarthy stated that the Strategic Leadership Team recently met to discuss organizational planning across all segments of the Cooperative. The team also reviewed follow up notes from previous sessions held with employees and identified the few items that remain incomplete, yet still relevant. Once everything is compiled, the team will meet again to prioritize and place timelines on the action items. The items range from short term tasks or projects to longer term organizational structure, work processes, and succession planning needs.

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

Manager McCarthy called upon Jason Maxwell to provide a statistical and financial

summary for the period ending October 2025. Manager McCarthy noted that there were 71 requests for new service in October compared to 41 at that time last year.

Manager McCarthy presented key highlights of the East River General Manager's report including the Duane Arnold Energy Center reopening, the Basin-McKenzie-Upper Missouri settlement, DOE proposed rules on large load interconnections and hydropower permitting, and new FERC chair Laura Swett.

#### ACCEPT GENERAL MANAGER'S REPORT

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

#### REPORTS ON POWER SUPPLY MEETINGS

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

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

#### REPORT ON MEETINGS/CLASSES ATTENDED

BLC 952.1 Increasing Influence and Building Board Consensus – Director Weinacht reported on his attendance of this virtual class.

BLC 913.1 Cooperative Fundamentals, Legacy and Economic Impact – Director Vostad reported on her attendance of this virtual class.

SVE/SEC/Kingsbury Legislative Forum – Directors Leuthold, Roskamp, Heinemann, and Vostad reported on their attendance of this forum.

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

MREA BLC Summit, January 13-15, 2026 Maple Grove, MN Director Roskamp was authorized to attend per a motion made by Mr. Daniel, seconded by Ms. Vostad. The motion carried.

SDREA Annual Meeting, January 15-16, 2026 Pierre, SD Director Daniel made a motion to authorize all directors to attend and nominated Mr. Weinacht to serve as the delegate and Mr. DeGreef as the alternate, seconded by Mr. Fish. The motion carried.

#### EXECUTIVE SESSION

Mr. Fish made a motion to move into executive session to discuss internal cooperative business, seconded by Mr. Roskamp at 1:19 p.m. The motion carried. The executive session adjourned at 2:10 p.m.

OTHER BUSINESS

Brenda Schelhaas noted that the annual ACRE and REPAC contributions will be included on the December director expense statements.

NEXT MEETING

The next regular board meeting will be held on Thursday, December 18, 2025 immediately following the 2026 Work Plan and Budget meeting in the Colman boardroom.

ADJOURNMENT

Dr. Heinemann made a motion to adjourn the Sioux Valley Energy board meeting at 2:12 p.m., seconded by Mr. Fish. The motion carried.

\_\_\_\_\_  
Donald DeGreef, Secretary

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