

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.  
April 23<sup>rd</sup>, 2019**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on April 23<sup>rd</sup>, 2019 commencing at 8:30 a.m. at the Colman headquarters in Colman, South Dakota.

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
Henning Hansen	Gregg Johnson	Allan Kooima
Bruce Martinson	Mark Rogen	Dave Daniel
Gary Fish	Arlyn Zylstra	

All directors were present. Also present were Attorney Alan Peterson, General Manager Tim McCarthy, management staff members Ted Smith, Betty VanDerWerff, Carrie Vugteveen, and Debra Biever along with Executive Assistant Amy Voelker. Guests were board elect member Lucas Roskamp; and Anthony Larson, CFC Candidate.

**REVIEW AND CONSIDERATION OF AGENDA**

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

**REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES**

A motion to approve the corrected minutes of the regular board meeting of March 25<sup>th</sup>, 2019 was made by Mr. Martinson, seconded by Mr. Kooima. The motion carried.

**2019 APRIL ICE STORM OVERVIEW**

Manager McCarthy called upon Ted Smith to present a high level overview of the 2019 April ice storm. Ted presented numbers of customers that were out each day, along with poles that were broken. Ted showed a variety of pictures from the storm.

**BOARD EDUCATION**

Directors are viewing a series of educational videos on a variety of governance topics. This month they viewed "Fiduciary Duties of a Director".

**REVIEW AND CONSIDERATION OF 2018 FINANCIAL AUDIT REPORT**

Chair Weinacht called upon Betty VanDerWerff who introduced Craig Popenhagen of the Clifton Larson Allen, LLP auditing firm who reviewed the financial audit of the books and records for Sioux Valley Southwestern Electric Cooperative.

Mr. Popenhagen stated that the Cooperative is in strong financial condition and exercising effective internal controls. Mr. Popenhagen reported the unmodified opinion of the 2018 consolidated financial statements. Mr. Popenhagen stated the Clifton Larson Allen is under the opinion that the audit is accurate and correct and is a "clean audit". A motion to approve the 2018 Audit Report, as presented, was made by Mr. Martinson, seconded by Mr. DeMent. The motion carried.

**STRATEGIC ISSUE DISCUSSION**

Manager McCarthy talked about the upcoming strategic planning session and would like the Board to start considering topics for this year's planning session.

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

Manager McCarthy reviewed key highlights of his written report including wholesale power purchases, sales, and revenue.

Manager McCarthy gave a wrap up of the 2019 district meetings. The meetings are all completed and went well.

Manager McCarthy mentioned the livestock seminar that East River co-hosted with Ag United. This seminar went very well.

Manager McCarthy gave an update that all resolutions passed at the NRECA annual meeting.

Manager McCarthy shared that East River has contracted with LightRiver to complete a telecomm study and the results will be used to verify internal decisions to ensure the critical networks are efficient, redundant and cost controlled.

Manager McCarthy gave an update on the Western Area Power Administration Contract Revisions.

Manager McCarthy gave an update on the REED fund.

Manager McCarthy shared the East River oyster feed was successful again this year.

Manager McCarthy gave an update on SB66. Gov. Kristi Noem has signed the summer study for SB66 into law, officially setting the table for a summer legislative committee to study the utility territorial issue. A committee of legislators has been selected. The initial hearing date is yet to be set.

#### ACCEPT MANAGER'S REPORT

A motion to accept the manager's report was made by Mr. Daniel, seconded by Mr. Leuthold. The motion carried.

#### REVIEW AND CONSIDERATION OF GENERAL MANAGER'S QUARTERLY EXPENSE STATEMENT

Arlyn Zylstra, Treasurer, reported that he reviewed the General Manager's expense and credit card statements for the period of January through March, 2019 and found all expenses to be in order. The report was accepted and payment of the General Manager's statement in the amount of \$3,270.47 was approved per a motion by Mr. Johnson, seconded by Mr. Hansen. The motion carried.

#### REVIEW AND CONSIDERATION OF ATTORNEY'S QUARTERLY EXPENSE STATEMENT

Amy Voelker presented the quarterly expense statements for Attorney Peterson. A motion to approve payment of the Attorney's expense statements for January through March, 2019 in the amount of \$13,730.63 was made by Mr. Rogen, seconded by Mr. Fish. The motion carried.

#### REPORTS ON POWER SUPPLY MEETINGS

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

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

SDREA – Mr. Hansen reported on his attendance at the SDREA board meeting.

#### CFC CANDIDATE VISIT

Anthony Larson stopped to visit with the board in regards to his candidacy for the CFC board.

REPORTS ON MEETINGS ATTENDED

CoBank, Minneapolis – Director Johnson reported on the CoBank meeting he attended in Minneapolis, MN.

CoBank, Fargo – Directors Martinson and Kooima reported on the CoBank meeting they attended in Fargo, ND.

NOTICES OF MEETINGS, SELECTION OF DELEGATES/ATTENDANCE AUTHORIZATION

MREA Legal Seminal – Attorney Peterson was authorized to attend the MREA Legal Seminar June 22, 2019 in Maple Grove, MN per a motion by Mr. Martinson, seconded by Mr. Rogen. The motion carried.

CoBank Directors Conference – Director Johnson was authorized to attend the CoBank Directors Conference July 16<sup>th</sup> – 18<sup>th</sup>, 2019 in Asheville, NC per a motion by Mr. Kooima, seconded by Mr. Leuthold. The motion carried.

NRECA Legal Seminal – Attorney Peterson was authorized to attend the NRECA Legal Seminar August 12-14<sup>th</sup>, 2019 in Denver, CO per a motion by Mr. Martinson, seconded by Mr. Rogen. The motion carried.

EXECUTIVE SESSION

Mr. DeMent made a motion to move into executive session, seconded by Mr. Martinson at 1:13 p.m. to discuss a vendor concern and internal cooperative business. Mr. Daniel made a motion to adjourn executive session at 1:46 p.m., seconded by Mr. Hansen. The motion carried.

NEXT MEETING

The next regular board meeting will be held on Tuesday, May 28<sup>th</sup>, 2019 at Colman Headquarters, Colman, SD.

ADJOURNMENT

Mr. Zylstra made a motion, seconded by Mr. DeMent to adjourn the Sioux Valley Energy board meeting at 1:50 p.m. The motion carried.

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Allan Kooima, Secretary

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