

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
March 25th, 2019**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on March 25th, 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 members, Don DeGreef and Lucas Roskamp; employees, Molly Burmeister and Trevor Reif; and MAC members John Kleinjan and Keith VanDyne; and Jennifer Scharmer, CFC Candidate.

REVIEW AND CONSIDERATION OF AGENDA

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

REVIEW AND CONSIDERATION OF MINUTES

A motion to approve the minutes of the regular board meeting of February 25th, 2019 was made by Mr. Hansen, seconded by Mr. Zylstra. The motion carried.

REVIEW AND CONSIDERATION OF MINNESOTA DISTRIBUTED ENERGY RESOURCE INTERCONNECTION PROCESS

Manager McCarthy called upon Ted Smith to present the Minnesota Interconnection of Distributed Energy Resource process and proposed resolution for adoption. A motion was made by Mr. Martinson to approve and adopt the Minnesota Distributed Energy Resource Interconnection Process resolution, seconded by Mr. DeMent. The motion carried.

REVIEW AND CONSIDERATION OF ARPIL BOARD MEETING

A motion was made by Mr. Zylstra, seconded by Mr. Martinson to move the April board meeting to Tuesday, April 23rd, 2019. The motion carried.

EDGERTON DISTRICT MEETING

Discussion was held on the meal from the Edgerton District meeting. There were several of our members who had what many have described as flu like symptoms after the meeting. While not confirmed, the symptoms may have been attributed to the meal that was served. Upon receiving the initial calls we immediately informed the caterer and made adjustments to avoid any issues in the future, along with a menu change for the balance of this year's district meetings.

BOARD EDUCATION

Directors are viewing a series of educational videos on a variety of governance topics. This month they viewed "Keep Bad Behavior out of the Boardroom".

MAC MEETING DATE

The next MAC meeting date will be Thursday, May 16th, 2019.

RUS AUDIT LETTER

Manager McCarthy called upon Betty VanDerWerff to give an update on the RUS audit.

SAFETY DAY

Manager McCarthy called upon Carrie Vugteveen to give the directors an update on the Safety Day that is being planned for Saturday, August 10th, 2019 in Brandon.

MEDICAL AND BENEFITS EMPLOYEE TASK FORCE

Manager McCarthy called upon Debra Biever to present the Medical and Benefits Employee Task Force timeline for the next eighteen months. This task force group will be made up of employees from both the union and non-union with a mixture of representation for our current plans; family plan, single plan, PPO medical coverage and high deductible health plan.

REVIEW AND CONSIDERATION OF SDREA BOARD SEAT

President Weinacht designated Attorney Peterson as temporary chairman to conduct the election portion of the meeting. Amy Voelker assisted with the tabulation of ballots.

Attorney Peterson declared nominations open for the SDREA director position. Upon completion of the tabulation of the ballots, Attorney Peterson reported that Allan Kooima received a majority of the votes cast, where upon Mr. Kooima was elected to the SDREA board to represent Sioux Valley Energy.

REVIEW AND CONSIDERATION OF RESOLUTIONS OF APPRECIATION FOR HENNING HANSEN AND ARLYN ZYSTRAS

Manager McCarthy presented the resolution of appreciation for Henning Hansen and Arlyn Zylstra to the Board. A motion to approve the resolutions of appreciation for Henning Hansen and Arlyn Zylstra was made by Mr. Daniel, seconded by Mr. Johnson. The motion carried.

STRATEGIC ISSUE DISCUSSION

Manager McCarthy reviewed the updates to the initiatives for the balance scorecard.

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 an update that Basin is signing a new wind contract for 300 MWs from northeast North Dakota.

Tim McCarthy gave an update on the future rate structure at Basin. It was stated that with high margins they are collecting, the membership needs to decide if the rate needs to be lowered, or they pay off some fixed costs and lower the demand rate or do a little of both.

Manager McCarthy gave an update on the Randall Community Water District.

Manager McCarthy shared the East River Energize Forum review results. This was an overall great meeting this year.

Manager McCarthy gave an update on the SB66 and how we will be moving into the summer study.

Manager McCarthy gave an update on the Minnesota legislature along with an update on CIP.

Manager McCarthy shared that both the financial audit and the RUS audit both went well.

Manager McCarthy gave an update on the closing of the Hartford Service Center.

ACCEPT MANAGER'S REPORT

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

CFC CANDIDATE VISIT

Jennifer Scharmer stopped to visit with the board in regards to her running for the CFC board.

REPORTS ON MEETINGS ATTENDED

NRECA Annual Meeting – Directors DeMent, Weinacht, and Daniel reported on the NRECA Annual Meeting they attended in Orlando, Florida.

Lyon Rural Electric Annual Meeting – Directors Leuthold and Zyltra reported on the Lyon Rural Electric Coop Annual Meeting.

NOTICES OF MEETINGS, SELECTION OF DELEGATES/ATTENDANCE AUTHORIZATION

L&O Annual Meeting Voting Delegate – Mr. Rogen made a motion to nominate Director Weinacht for voting delegate and Director DeMent as alternate, seconded by Mr. Martinson for the L&O Annual Meeting, April 2nd in Larchwood, IA. The motion carried.

CoBank Directors Conference – Directors Martinson and Fish were authorized to attend the CoBank Directors Conference July 16th – 18th, 2019 in Asheville, NC per a motion by Mr. DeMent, seconded by Mr. Daniel. The motion carried.

NEXT MEETING

The next regular board meeting will be held on Tuesday, April 23rd, 2019 at Colman Headquarters, Colman, SD.

ADJOURNMENT

Mr. DeMent made a motion, seconded by Mr. Zylstra to adjourn the Sioux Valley Energy board meeting at 1:18 p.m. The motion carried.

Allan Kooima, Secretary

Approved: _____