

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
September 26th & 27th, 2017**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on September 26th, 2017 commencing at 9:30 a.m. at Basin Electric Headquarters, Bismarck, ND with a tour of the new Basin Headquarter addition. Tours were held on September 27th, 2017 of Dakota Gasification Company, Antelope Valley Station, and Freedom Coal Mine.

The meeting was called to order by President Rodney DeMent who presided and Allan Kooima, Secretary, acted as Secretary.

Roll call showed the following members present:

Rodney DeMent	Gary Drost	Dave Daniel
Henning Hansen	Arlyn Zylstra	Bruce Martinson
Mark Rogen	Allan Weinacht	Gregg Johnson
Allan Kooima		

All directors were present, with Gary Fish and Attorney Alan Peterson attending by phone conference. Also present were General Manager Tim McCarthy, management staff members Betty VanDerWerff, Debra Bieber, and Ted Smith, along with Staff Assistant and Communications Specialist Amy Voelker.

REVIEW AND CONSIDERATION OF AGENDA

The agenda was presented for consideration. An agenda item, operation round-up director, was added. A motion to approve the amended agenda was made by Mr. Zylstra, seconded by Mr. Kooima. The motion carried.

REVIEW AND CONSIDERATION OF MINUTES

A motion to approve the minutes of the regular board meeting of August 22nd, 2017 was made by Mr. Johnson, seconded by Mr. Daniel. The motion carried.

REVIEW AND CONSIDERATION OF EMPLOYEE COMPENSATION PLAN

Manager McCarthy called upon Debra Bieber to present an overview of the Employee Compensation Plan including descriptions of compensation and benefits for union and non-union employees at the Cooperative. The average market rate pay changes will be effective November 1st for employees whose performance meets expectations. Mr. Kooima made a motion to approve the employee compensation plan as presented with the addition of a 20 year experience step added to grades 1, 2, 3, 4, & 5, seconded by Mr. Johnson. The motion carried.

REVIEW AND CONSIDERATION OF BOARD POLICY 7 AND BOARD OPERATING GUIDE 7-2

Manager McCarthy called upon Debra Bieber to present changes to Board Policy 7 (Employee Training and Development) and Board Operating Guide 7-2 (Safe Working Practices). Mr. Hansen made a motion to approve the changes to Board Policy 7 and Board Operating Guide 7-2, seconded by Mr. Martinson. The motion carried.

REVIEW AND CONSIDERATION OF UPDATED DISTRICT MEETING DATES

Due to a conflict with the District 3 and District 7 meetings, a motion was made by Mr. Weinacht to move the District 3 meeting to Tuesday, March 6th, 2018 and the District 7 meeting to Thursday, March 22nd, 2018, seconded by Mr. Zylstra. The motion carried.

REVIEW AND CONSIDERATION FOR 2018 ANNUAL MEETING

The 2018 annual meeting date was presented. Mr. Martinson made a motion to approve the date of Tuesday, June 5th, 2018 at the Swiftel Center in Brookings, SD for the annual meeting, seconded by Mr. Zylstra. The motion carried.

IRS FORM 990 (FEDERAL TAX RETURN)

The Internal Revenue Service Form 990 was attached with the board meeting materials for review and presented at the board meeting by Betty VanDerWerff.

YEAR END PROJECTION

Manager McCarthy called upon Betty VanDerWerff to present the year end projection.

STRATEGIC ISSUE DISCUSSION

Manager McCarthy reviewed the strategic priorities established at the 2017 strategic thinking session that require attention over the next 3-5 years. Henry Cano sent an overview of the session that the leadership team will be reviewing.

OPERATION ROUND-UP DIRECTOR

Notice was given that the Minnehaha County Operation Round-up director, Randall Questad, will no longer serve on the Operation Round-up Board of Trustees. He will need to be reappointed prior to the December Operation Round-up meeting.

MANAGER'S REPORT

Manager McCarthy gave an update from the Midwest Resolutions committee and notified the board that he will be serving on the Midwest Water and Power Committee.

Manager McCarthy reported that the "Take Action" meetings all went very well.

ACCEPT MANAGER'S REPORT

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

REPORTS ON POWER SUPPLY MEETINGS

East River Board Meeting – Mr. Rogen reported on his attendance at the East River board meeting.

Basin Electric Board Meeting – Mr. Drost reported on his attendance at the Basin Electric board meeting.

L&O Board Meeting – Mr. Johnson reported on his attendance at the L&O board meeting.

REPORTS ON MEETINGS ATTENDED

Midwest Resolutions – Gary Drost reported on his attendance at the Midwest Resolutions meeting held August 29th – 31st.

East River Annual Meeting – Directors reported on their attendance at the East River Annual Meeting that was held on September 6th.

NRECA Regional Meeting – Directors DeMent, Hansen, Johnson, Kooima, Martinson, and Zylstra reported on their attendance at the NRECA Regional meeting held September 19th – 21st.

EXECUTIVE SESSION

Mr. Zylstra made a motion to move into executive session, seconded by Mr. Martinson at 11:07 a.m. for discussion of the General Manager/CEO appraisal and salary adjustment, SMEC discussion, and district meeting rotations. Mr. Weinacht made a motion to adjourn executive session at 12:10 p.m., seconded by Mr. Daniel. The motion carried.

NEXT MEETING

The next regular board meeting will be held on October 24th, 2017 at Sioux Valley Energy headquarters in Colman, SD.

ADJOURNMENT

Mr. Daniel made a motion, seconded by Mr. Kooima to adjourn the Sioux Valley Energy board meeting at 1:15 p.m. The motion carried.

Allan Kooima, Secretary

Approved: _____