

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
December 21st, 2016**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on December 21, 2016 commencing at 12:30 p.m. at the Colman headquarters in Colman, South Dakota.

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

All directors were present except for Gary Fish. Also present were Attorney Alan Peterson, General Manager Tim McCarthy, management staff members Ted Smith, Betty VanDerWerff, Carrie Law, and Debra Biever along with Staff Assistant and Communications Specialist Amy Voelker.

REVIEW AND CONSIDERATION OF AGENDA

The agenda was presented for consideration with a change of removing the SDREA report. A motion to approve the amended agenda was made by Mr. Daniel, seconded by Mr. Hansen. The motion carried.

REVIEW AND CONSIDERATION OF MINUTES

A motion to approve the minutes of the regular board meeting of November 28th, 2016 was made by Mr. Weinacht, seconded by Mr. Martinson. The motion carried.

REVIEW AND CONSIDERATION OF RUS LOAN RESOLUTION AND AUTHORIZATION OF SIGNATURES

Manager McCarthy called upon Attorney Peterson to review and present the RUS loan resolution and authorization of signatures. A motion was made by Mr. Rogen, seconded by Mr. Weinacht to approve the RUS loan resolution and authorization of signatures. The motion carried.

REVIEW AND CONSIDERATION OF SIOUX VALLEY WIRELESS DISSOLUTION

Manager McCarthy called upon Attorney Peterson to review and present the dissolution of Sioux Valley Wireless. In lieu of a special meeting all were in agreement to the dissolution. Mr. Martinson, Sioux Valley Wireless president, appointed Mr. Hanson as treasurer since Mr. Kahler is no longer a board member. A motion was made by Mr. Weinacht, seconded by Mr. Zylstra to approve the necessary documents. The motion carried.

Mr. Kooima made a motion, seconded by Mr. Weinacht to approve the resolution to move the capital credits from Sioux Valley Wireless to Sioux Valley Energy. The motion carried.

REVIEW AND CONSIDERATION OF AFFIRMATIVE ACTION PLAN FOR 2016

Manager McCarthy called upon Debra Biever who reviewed the three different Affirmative Action programs addressed in the Cooperative's Affirmative Action Plan for calendar year 2016. One for females and minorities, one for individuals with disabilities and one for protected veterans. A motion was made by Mr. Rogen, seconded by Mr. Weinacht, to adopt the 2016 Affirmative Action Plan and affirm that the Cooperative is complying with the requirements of the plan.

REVIEW AND CONSIDERATION OF THE DISTRICT MEETING START TIME

A motion to keep the start time of 7 p.m. for the district meeting was made by Mr. Weinacht, seconded by Mr. Kooima. The motion carried.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy reported and hit many key highlights on the East River MAC meeting including the MTI Endowment and large loads.

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

Manager McCarthy reported on the finalization of Sioux Valley Wireless and that we have submitted the final income tax returns.

Manager McCarthy reported that the operation round-up board of trustees met and rewarded \$34,306 to 31 different organizations. They also took action to increase the total scholarship amount from \$10,000 per year to \$14,000.

Manager McCarthy and Carrie Law reported on legislative updates and topics for the upcoming year of 2017 and that IM22 is on hold right now going through legislation.

ACCEPT MANAGER'S REPORT

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

REVIEW AND CONSIDERATION OF ALTERNATE BOARD MEETING DATES FOR MARCH

A motion was made by Mr. Weinacht, seconded by Mr. Rogen to move the March board meeting to Wednesday, March 29th, 2017. 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.

REPORTS ON MEETINGS ATTENDED

SDREA-BLC – DeMent and Kooima reported on the BLC classes they took in Pierre.

Mid-west Annual Meeting – DeMent, Drost, and Zylstra reported on the Mid-west Annual meeting they attended in Denver, CO.

NOTICES OF MEETINGS, SELECTION OF DELEGATES/ATTENDANCE AUTHORIZATION

NRECA BLC Classes at MREA – Notice of the BLC classes that will be held in Maple Grove, MN on January 17th- 19th were presented. Director DeMent was authorized to attend per a motion by Mr. Weinacht, seconded by Mr. Drost. The motion carried.

CoBank Regional Customer Meetings – Notice of the CoBank Regional Customer Meeting that will be held in Minneapolis on March 20th – 21st was presented. Directors Rogen and Drost were authorized to attend the Minneapolis meeting per a motion by Mr. Kooima, seconded by Mr. Zylstra. The motion carried.

CoBank Regional Customer Meetings – Notice of the CoBank Regional Customer Meeting that will be held in Fargo on March 27th – 28th was presented. Directors Kooima, Hansen and Martinson were authorized to attend the Fargo meeting per a motion by Mr. Weinacht, seconded by Mr. Drost. The motion carried.

L&O Annual Meeting – Notice of the L&O Annual Meeting that will be held April 4th was

given. All directors were authorized to attend per a motion by Mr. Rogen, seconded by Mr. Daniel. The motion carried.

EXECUTIVE SESSION

A motion by Mr. Zylstra, seconded by Mr. Kooima to move into executive session with all directors in attendance began at 3:30 p.m. Mr. Martinson made a motion to adjourn the executive session at 3:55 p.m., seconded by Mr. Kooima. The motion carried. The board meeting was adjourned.

NEXT MEETING

The next regular board meeting will be held on Monday, January 23rd, 2017 at the Colman headquarters.

Allan Kooima, Secretary

Approved: _____