

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
February 21, 2018**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on February 21st, 2018 commencing at 8:30 a.m. at the Pipestone Service Center in Pipestone, MN.

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
Gary Fish	Gary Drost	

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

REVIEW AND CONSIDERATION OF AGENDA

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

REVIEW AND CONSIDERATION OF MINUTES

A motion to approve the minutes of the regular board meeting of January 30th, 2018 was made by Mr. Daniel, seconded by Mr. Johnson. The motion carried.

REVIEW AND CONSIDERATION OF ANNUAL COGENERATION FILING AND REPORT

Manager McCarthy called upon Debra Biever to review all the documents for the 2018 annual cogeneration filing and report for rates and schedules. A motion was made by Mr. Weinacht to approve the annual cogeneration filing and report, seconded by Mr. Zylstra. The motion carried.

REVIEW OF 2017 YEAR END FINANCIALS

Manager McCarthy called upon Betty VanDerWerff to present the 2017 preliminary year end financials, with the comparison to the 2017 budget.

REVIEW AND CONSIDERATION OF CREDENTIALS AND ELECTION COMMITTEES FOR DISTRICT MEETINGS

The credentials and election committees willing to serve for the election meetings that will be held in districts 8, 9 and 10 were presented. Mr. Rogen made a motion to approve the following credentials and election committees, seconded by Mr. Martinson. The motion carried.

District #10 – Tuesday, March 20th

Nancy Hinricher
Jim Folkerts
Connie Hillard
Robert Schelhaas
Ronald Osenga
Eugene Halbur
Virgil Schoolmeester

District #9 – Monday, March 26th

Nancy Hinricher
Jim Folkerts
Connie Hillard
Bob Fritz
Dean Freeman
Betty Cramer
Jim Stratton
Don DeWeerd

District #8 – Tuesday, March 27th

Tim Drost
Jason VanBelle

Jed Huisman
Harold Fick
Wayne Welgrave
Jim Stratton
Bruce Boelman

REVIEW AND CONSIDERATION OF ELECTION ROTATION

Manager McCarthy held a discussion with the directors on the election rotation for the upcoming years. Mr. Johnson made a motion to change the 2019 elections for Districts 1 & 3 to a two-year rotation to make the rotation of elections more even, seconded by Mr. Hansen. The motion carried.

DISCUSSION OF ECONOMIC DEVELOPMENT INCENTIVES

Manager McCarthy held discussion in regards to economic development incentives. Manager McCarthy is going to work on contacting potential participants for a session on an economic development strategy.

DISCUSSION OF MOG AND BOG REVIEW

Manager McCarthy held a discussion with the board to review all the MOG and BOG policies. The decision was made to start this June 2018, after the new director starts his new term.

STRATEGIC PLANNING DATE

The strategic planning session date was set for August 28th & 29th, 2018 at East River Electric, Madison, SD.

APPOINTMENT OF MEMBER ADVISORY COUNCIL MEMEBERS

One additional member was appointed to the Advisory Council in accordance with Board Operating Guide #9-1. Keith VanDuyn was added to District #2. Mr. Martinson made a motion to approve the appointment of this additional member to the Advisory Council for a three-year term, seconded by Mr. Kooima. The motion carried.

STRATEGIC ISSUE DISCUSSION

Manager McCarthy discussed the structure of the new balance scorecard. The directors and staff focused on the knowledge and skill section and discussed how we need support these areas.

REVIEW AND CONSIDERATON OF GENERAL MANAGER'S REPORT

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

Manager McCarthy reported on the REED and MAC meetings held at East River.

Manager McCarthy reported on the January new all-time peak load that was hit.

Manager McCarthy reported that the financial audit will take place the week of the March 5th.

Manager McCarthy reported on the results from the network and web application vulnerability scanning that was completed in December of 2017. We received great results.

Manager McCarthy reported on many topics from the East River Manager's report including: 2017 year-end financial report, Waters of the United States, and regulatory, legislative, and legal issues.

ACCEPT MANAGER'S REPORT

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

REPORTS ON POWER SUPPLY MEETINGS

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

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

REPORTS ON MEETINGS ATTENDED

MREA Legislative Visit – Directors DeMent and Rogen reported on the MREA Legislative visit they attended in Washington, DC.

NOTICES OF MEETINGS, SELECTION OF DELEGATES/ATTENDANCE AUTHORIZATION

MREA Annual Meeting (BLC 964.1 Class) – Notice of the NRECA BLC 964.1 that will be held in Minneapolis, MN on March 14th, 2018 was presented. Director Johnson was authorized to attend per a motion by Mr. Daniel, seconded by Mr. Kooima. The motion carried.

EXECUTIVE SESSION

A motion by Mr. Zylstra, seconded by Mr. Johnson to move into executive session with all directors in attendance began at 1:20 p.m. Mr. Zylstra made a motion to adjourn the executive session at 1:40 p.m., seconded by Mr. Johnson. The motion carried. No action was taken in executive session.

NEXT MEETING

The next regular board meeting will be held on Tuesday, March 20th, 2018 at the Brandon Service Center.

ADJOURNMENT

Mr. Zylstra made a motion, seconded by Mr. Weinacht to adjourn the Sioux Valley Energy board meeting at 1:45 p.m. The motion carried.

Allan Kooima, Secretary

Approved: _____