

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.  
July 25<sup>th</sup>, 2017**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on July 25<sup>th</sup>, 2017 commencing at 8:30 a.m. at Sioux Valley Energy headquarters, Colman, SD.

The meeting was called to order by President Rodney DeMent who presided and Mr. Rogen, was appointed and 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
Gary Fish		

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

**REVIEW AND CONSIDERATION OF AGENDA**

The agenda was presented for consideration. Items added to the agenda were, call to order, Basin board meeting trip, and December board meeting. A motion to approve the amended agenda was made by Mr. Weinacht, seconded by Mr. Hansen. The motion carried.

**REVIEW AND CONSIDERATION OF MINUTES**

A motion to approve the minutes of the regular board meeting of June 20<sup>th</sup>, 2017 was made by Mr. Martinson, seconded by Mr. Zylstra. The motion carried.

**EXECUTIVE SESSION**

President DeMent moved into executive session at 8:40 a.m. Mr. Martinson made a motion to adjourn executive session at 9:15 a.m. The motion was seconded by Mr. Zylstra and carried. The Sioux Valley Energy board meeting then continued.

**REVIEW AND CONSIDERATION OF ANNUAL MEETING WAIVER FOR SIOUX VALLEY ENERGY CUSTOMER TRUST**

Review and consideration of annual meeting waiver for Sioux Valley Energy Customer Trust and appointments to operation roundup board of trustees was deferred until the August board meeting.

**MINNESOTA STATUTE SECTION 216B.164 RESOLUTION INFORMATION**

Manager McCarthy had a discussion on the Minnesota statute section 216B.164 resolution with the board. Attorney Peterson is going to look into the resolution and make sure we are ok on the legal side. Staff will review the policy and consult with Basin to coordinate response. The resolution will then be brought back to the Board for consideration.

**REVIEW AND CONSIDERATION OF PATENT MAINTENANCE FEE**

Manager McCarthy called upon Ted Smith to inform the board that the Patent Maintenance Fee is due by August 6<sup>th</sup> of 2017. The cost would be \$2,269 for an additional four years. The recommendation is to let the patent expire. No action needed to let patent expire.

**REVIEW OF THE 2016 ACSI MEMBER SATISFACTION SURVEY RESULTS**

Manager McCarthy called upon Carrie Law to review the 2017 ACSI member satisfaction survey results. Carrie Law presented the 2017 information from the survey that was conducted from May-June. Our overall score was at 86%, which is above average and a great score.

**REVIEW OF CFC KEY RATIO TREND ANALYSIS**

Manager McCarthy called upon Betty VanDerWerff to review the Key Ratio Trend Analysis report showing key system operating, expense, and growth ratios for a five-

year period ending December 2016. This report included comparisons to other cooperatives in the nation, in South Dakota and in the East River system.

#### REVIEW OF MEMBER ADVISORY COUNCIL (MAC) TOPICS

Topics for consideration were offered for the next Member Advisory Council meeting. Manager McCarthy presented the topics of updates on construction projects, peak alerts, a charging project, ACSI scores, feedback on annual meeting/communications, and a safety segment.

#### SEPTEMBER BOARD MEETING AT BASIN ELECTRIC

Mr. Drost gave an update on the plans for the September board meeting that is going to be held in Bismarck, ND at Basin Electric.

#### STRATEGIC ISSUE DISCUSSION

Manager McCarthy gave an update to the Board on the upcoming strategic planning session that will be held at East River on August 18<sup>th</sup>, 2017.

#### CALL TO ORDER

The call to order process was discussed and reviewed on how to update on the I-pads.

#### MANAGER'S REPORT

Manager McCarthy reviewed key highlights of his written report including wholesale power purchases, sales, and revenue. He also reported on the East River MAC meeting.

Manager McCarthy reported on a few updates from the Basin MAC meeting.

Manager McCarthy reported that our safety numbers show great improvement compared to this same time last year.

Manager McCarthy reported that he attended the Heartland annual meeting and that they have added a new municipal customer, part of the city of Valentine, NE.

Manager McCarthy reported that we received notice the grant for the development of the SDSU Growth Partnership was approved for \$300,000.

Manager McCarthy had Ted Smith give the Board information on the system loading information. Ted gave a short presentation on this.

Manager McCarthy gave an update on the PUC results from the Xcel Energy/SVE agreement from the territorial issue.

#### ACCEPT MANAGER'S REPORT

A motion to accept the manager's report was made by Mr. Drost, seconded by Mr. Hansen. 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 April through June, 2017 and found all expenses to be in order. The report was accepted and payment of the General Manager's statement in the amount of \$1,579.29 was approved per a motion by Mr. Drost, seconded by Mr. Johnson. 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 April through June,

2017 in the amount of \$8,802.95 was made by Mr. Martinson, seconded by Mr. Johnson. 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. Zylstra reported on his attendance at the L&O board meeting.

REPORTS ON MEETING ATTENDED

CoBank Directors Conference – Directors Wienacht, Martinson, Johnson, and DeMent reported on their attendance at the Director’s Conference held on June 27<sup>th</sup> – 29<sup>th</sup>.

NEXT MEETING

The next regular board meeting will be held on August 22<sup>nd</sup>, 2017 at the Colman headquarters.

ADJOURNMENT

Mr. Weinacht made a motion, seconded by Mr. Zylstra to adjourn the Sioux Valley Energy board meeting at 2:30 p.m.

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Allan Kooima, Secretary

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