

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
April 23rd, 2018**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on April 23rd, 2018 commencing at 8:30 a.m. at the Colman.

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	Gary Drost	Dave Daniel
Gary Fish	Mark Rogen	

All directors were present. Also present were Attorney Alan Peterson, Dan Leuthold, 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. A motion to approve the agenda was made by Mr. Drost, seconded by Mr. Kooima. The motion carried.

REVIEW AND CONSIDERATION OF MINUTES

A motion to approve the minutes of the regular board meeting of March 20th, 2018 was made by Mr. Johnson, seconded by Mr. Daniel. The motion carried.

REVIEW AND CONSIDERATION OF THE LEWIS AND CLARK WAPA WHEELING RATE TARIFF

Manager McCarthy called upon Debra Biever to present the Lewis and Clark WAPA Wheeling Rate Tariff. A motion was made by Mr. Zylstra to approve the Lewis and Clark WAPA Wheeling Rate, seconded by Mr. Hansen. The motion carried.

REVIEW AND CONSIDERTAIION OF THE CITY OF AURORA ANNEXATION AGREEMENT

Manager McCarthy called upon Ted Smith to present the City of Aurora Annexation Agreement. The City of Aurora notified us to annex the Spilde Second Addition consisting of 8.81 acres. We do not have any customers within this area. A motion was made by Mr. Weinacht to approve the City of Aurora Annexation Agreement, seconded by Mr. Drost. The motion carried.

DIRECTOR HOURS

Manager McCarthy called upon Betty VanDerWerff to discuss the tracking of director hours. After discussion, the directors concluded that they normally spend 8 hours a month in addition to board meeting time, and each will continue to record their own hours.

REVIEW AND CONSIDERATION OF 2017 FINANCIAL AUDIT REPORT

Chair DeMent called upon Betty VanDerWerff who introduced Craig Popenhagen of the Clifton Larson Allen, LLP auditing firm who reviewed the financial audit of the books and records for Sioux Valley Southwestern Electric Cooperative.

Mr. Popenhagen stated that the Cooperative is in strong financial condition and exercising effective internal controls. Mr. Popenhagen reported the unmodified opinion of the 2017 consolidated financial statements. A motion to approve the 2017 Audit Report, as presented, was made by Mr. Rogen, seconded by Mr. Martinson. The motion carried.

ELECTRIC COOPERATIVE GOVERNMENT TASK FORCE REPORT

Manager McCarthy and Attorney Peterson gave an update on the electric cooperative government task force report. They will keep the directors up to date on issues as they arise.

APRIL STORM RECAP

Manager McCarthy called upon Sharla Haugen to present the April Storm recap. Sharla shared statistics from the storm, along with some pictures and a video. Ted Smith shared the appreciation we had from the help of East River Electric, Karian Peterson, along with all of our Sioux Valley Energy employees.

STRATEGIC ISSUE – BALANCE SCORECARD UPDATE

Manager McCarthy reviewed the new definitions for the knowledge and skills section of 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 reported on the REED and MAC meetings held at East River.

Manager McCarthy gave an update on the Economic Development session we will be having on May 7th at the Ramkota in Sioux Falls.

Manager McCarthy reported on the CoBank No Barriers program and that we had three nominees selected from our area.

Manager McCarthy had Carrie Law and Amy Voelker give an update on the last EmPOWER session.

Manager McCarthy asked Carrie Law report on the NRECA Legislative Conference that she attended in Washington, D.C.

Manager McCarthy asked Ted Smith to review over the REC program.

ACCEPT MANAGER'S REPORT

A motion to accept the manager's report was made by Mr. Weinacht, seconded by Mr. Kooima. 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 January through March, 2018 and found all expenses to be in order. The report was accepted and payment of the General Manager's statement in the amount of \$1,942.75 was approved per a motion by Mr. Martinson, seconded by Mr. Drost. 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 January through March, 2018 in the amount of \$13,194.69 was made by Mr. Rogen, seconded by Mr. Johnson. 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 Meeting – Mr. Johnson reported on his attendance at the L&O board meeting.

REPORTS ON MEETINGS ATTENDED

L&O Annual Meeting – Directors reported on the L&O Annual meeting they attended.

Central Electric Annual Meeting – Directors DeMent reported on the Central Electric Annual Meeting he attended.

CoBank Meeting – Director Zylstra reported on the CoBank meeting that he attended in North Dakota.

NOTICES OF MEETINGS, SELECTION OF DELEGATES/ATTENDANCE AUTHORIZATION

MREA Legal Seminar – Notice of the MREA Legal Seminar on June 4th was given. Mr. Drost made a motion to authorize Attorney Peterson to attend, seconded by Mr. Rogen. The motion carried.

NRECAL Legal Seminar – Notice of the NRECA Legal Seminar on August 13-14th was given. Mr. Weinacht made a motion to authorize Attorney Peterson to attend, seconded by Mr. Kooima. The motion carried.

NEXT MEETING

The next regular board meeting will be held on Monday, May 21st, 2018 at the Colman Headquarters.

ADJOURNMENT

Mr. Drost made a motion, seconded by Mr. Zylstra to adjourn the Sioux Valley Energy board meeting at 12:00 p.m. The motion carried.

Allan Kooima, Secretary

Approved: _____