

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
August 27th, 2018**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on August 27th, 2018 commencing at 8:30 a.m. at East River Electric, Madison, SD.

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

Roll call showed the following members present:

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

All directors were present. Also present were Attorney Alan Peterson, General Manager Tim McCarthy, management staff members Debra Biever, Ted Smith, Betty VanDerWerff and Carrie Law, along with Executive Assistant Amy Voelker, Kimberlee Hansen, Jay Buchholz, Cody Fritz, and Jim Kuyper.

REVIEW AND CONSIDERATION OF AGENDA

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

REVIEW AND CONSIDERATION OF MINUTES

A motion to approve the minutes of the regular board meeting of July 23rd, 2018, was made by Mr. Johnson, seconded by Mr. Fish. The motion carried.

BASIN COOPERATIVE CONNECTIONS PROGRAM

Manager McCarthy called upon Jay Buchholz, Cody Fritz and Jim Kuyper to share their experience with the board from the cooperative exchange program Sioux Valley Energy participated in with Basin Electric. It was a great experience for everyone involved.

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.

REVIEW AND CONSIDERATION OF COLLECTIVE BARGAINING AGREEMENT

Manager McCarthy called upon Debra Biever to present the proposed agreement on the renewal terms of the Collective Bargaining Agreement. Mr. Rogen made a motion to approve the proposed changes to the agreement, seconded by Mr. Kooima. The motion carried.

REVIEW OF EMPLOYEE COMPENSATION PLAN

Manager McCarthy called upon Debra Biever to present an overview of the Employee Compensation Plan including descriptions of compensation and benefits for union and non-union employees at the Cooperative. Employee Kimberlee Hansen was also present. Debra reviewed the wage changes to the market rate of pay for non-union employees based on the board approved Compensation Plan. The average market rate pay changes will be effective November 1st for employees whose performance meets expectations.

REVIEW AND CONSIDERATION OF ANNUAL MEETING WAIVER FOR SIOUX VALLEY ENERGY CUSTOMER TRUST AND APPOINTMENTS OF OPERATION ROUNDUP BOARD OF TRUSTEES

The Board of Directors considered and executed a unanimous consent in writing in lieu of an annual meeting of the Sioux Valley Energy Customer Trust. The reappointment of Joyce DeClerk, Brookings County to the Customer Trust board of Trustees was approved. Mr. Martinson made a motion for the consent in writing in lieu of an annual meeting and to approve the reappointment of Joyce DeClerk, seconded by Mr. Fish.

The motion carried.

REVIEW AND CONSIDERATION OF DECEMBER BOARD MEETING DATE

Due to a conflict with the Christmas holiday, a new date of December 17th and 18th was recommended for the December regular Board meeting and work plan and budget. Mr. Martinson made a motion to schedule December 17th and 18th for the meeting dates, seconded by Mr. Rogen. The motion carried.

STRATEGIC ISSUE DISCUSSION

Manager McCarthy discussed the strategic planning session that will take place August 28th with Chris Baumgartner facilitating the session.

POLICY REVIEW DISCUSSION

Manager McCarthy reviewed Board Policy 3; BOG 3-1; Board Policy 4; and BOG 4-1 and 4-2. Mr. Martinson made a motion, seconded by Mr. Hansen to approve updates and changes to the Board policies 3 and 4, BOG's 4-1 and 4-2, but table BOG 3-1 until the September board meeting until more information is received and we run the policy by East River Electric. The motion carried.

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S REPORT

Manager McCarthy reviewed key highlights of his written report including wholesale power purchases, sales, and revenue. He also reported on his attendance at the SDREA manager's meeting.

Manager McCarthy reported on the Southwest Power Pool, the South Dakota Cooperative Hall of Fame that Kermit Pearson will be inducted into in September. He gave an update on the SDN Communications meeting.

Manager McCarthy gave an update on the Business Development plans and stated East River has asked for input moving forward.

Manager McCarthy reported on the Carbon Tax Legislation proposed the FERC finalized cyber rule, the FERC commissioner stepping down and the NRECA resolutions committee.

Manager McCarthy reported possible changes with the Touchstone Energy dues structure in the future.

Manager McCarthy reported that we hit a new all-time summer peak.

Manager McCarthy reported that the Ag Appreciation Day at the Sioux Empire Fair went well.

Manager McCarthy reported that the Take ACTION forums in Brandon and Pipestone were well attended.

ACCEPT MANAGER'S REPORT

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

REPORTS ON POWER SUPPLY MEETINGS

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

L&O POWER COOPERATIVE BOARD MEETING – Mr. Johnson reported on his attendance at the L&O Power Cooperative board meeting.

REPORTS ON MEETINGS ATTENDED

NRECA Legal Seminar – Attorney Peterson reported on his attendance at the NRECA Legal Seminar.

Renewable Energy Seminar – Director Weinacht reported on his attendance at the SVE Renewable Energy Seminar that took place August 13th in Brandon, SD.

SDREA Co-op Board Leadership Conference – Director Weinacht reported on his attendance at the SDREA Co-op Board Leadership conference that took place on July 30th in Pierre, SD.

NOTICES OF MEETINGS, SELECTION OF DELEGATES/ATTENDANCE AUTHORIZATION

East River Annual Meeting – Notice of the East River Annual meeting that will be held September 5th was presented. Mr. DeMent made a motion to authorize Attorney Peterson to attend, seconded by Mr. Rogen. The motion carried.

Voting Delegates – Notice of RESCO and CFC voting delegates were presented. Mr. Kooima made a motion to authorize Director DeMent as the CFC voting delegate and Director Hansen for the alternate and Director Hansen as the RECSO voting delegate and Director Martinson for the alternate, seconded by Mr. Hansen. The motion carried.

EXECTIVE SESSION

NEXT MEETING

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

ADJOURNMENT

Mr. Zylstra made a motion, seconded by Mr. DeMent, to adjourn the Sioux Valley Energy board meeting at 1:30 p.m. The motion carried. The directors then toured the new operations area at East River Electric.

Allan Kooima, Secretary

Approved: _____