

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
August 27th, 2019**

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, 2019 commencing at 8:30 a.m. at East River Electric in Madison, South Dakota.

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
Don DeGreef	Gregg Johnson	Allan Kooima
Bruce Martinson	Mark Rogen	Dave Daniel
Gary Fish	Lucas Roskamp	

All directors were present. Also present were Attorney Alan Peterson, General Manager Tim McCarthy, management staff members Betty VanDerWerff and Debra Biever along with Executive Assistant Amy Voelker. Guest in attendance was Darrin Lynch from CFC.

REVIEW AND CONSIDERATION OF AGENDA

The agenda was presented for consideration with the addition of balance scorecard update. A motion to approve the amended agenda was made by Mr. Martinson, seconded by Mr. DeMent. The motion carried.

REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES

A motion to approve the minutes of the regular board meeting of July 22nd, 2019 was made by Mr. Kooima, seconded by Mr. Leuthold. The motion carried.

CFC UPDATE

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

BOARD EDUCATION

Directors are viewing a series of educational videos on a variety of governance topics. This month they viewed "The Business Judgement Rule".

ACSI SCORE OF 88 RECOGNITION RESOLUTION

Manager McCarthy presented the approved ACSI Score of 88 Recognition Resolution to the Board.

STRATEGIC ISSUE DISCUSSION

Manager McCarthy discussed the strategic planning session and gave the Board a quarterly update on the balance scorecard spreadsheet.

Manager McCarthy discussed the wording on the Balance Score Card section C4. The leadership team is going to discuss the wording and bring it back to the Board in September.

SAFETY BALANCE SCORECARD

Manager McCarthy called upon Debra Biever to share the safety balance scorecard. The Safety Steering Committee created a safety balance scorecard that outlines the overall objectives. This will be used to achieve our overall mission of achieving safety excellence.

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 shared information about the availability of the CFC integrity fund for territorial issues.

Manager McCarthy gave an update from Federated in regard to accident investigations. They have found that 99.9% of serious accidents are a result of not following known safety rules.

Manager McCarthy gave an update on the material from RESCO. Inflation is expected to be 3-4% this year on material prices.

Manager McCarthy shared that East River Electric along with area business professionals participated in a Madison workforce forum in July.

Manager McCarthy gave an update on regulatory, legislative and legal issues. He talked about the pension bill that is being pushed by NRECA that would reduce insurance premiums paid by the NRECA retirement security plan, how FERC will be down to three commissioners, the US House votes to repeal the "Cadillac Tax" on health plans, and the EPA has set its final rule to repeal the WOTUS (Water of the United States) rule to the White House for interagency review.

Manager McCarthy gave an update on the East River marketing programs. The committee is recommending ending LED and appliance rebates and add a third-party grain bin system rebate. The committee did not warrant an EV charger rebate.

Manager McCarthy shared that Chris Studer gave an update on NRECA/Touchstone.

Manager McCarthy reported that we set a new summer peak (again) in July. The peak was 144.9 MW, which is 2.3% higher than the previous summer peak of 141.6 MW set in June of 2018. The all-time peak was set in January of 2019 at 156.2 MW.

Manager McCarthy shared that the Sundae on a Sunday Energy Efficiency event, Ag Appreciation Day and Safety Day were all great events and well attended.

Manager McCarthy shared information and dates for the Take Action Forums that will be held in October.

Manager McCarthy gave an update from the SB66 hearings.

ACCEPT MANAGER'S REPORT

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

REPORTS ON POWER SUPPLY MEETINGS

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

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

REPORTS ON MEETINGS ATTENDED

SB66 Hearing – Directors discussed the SB66 hearing that took place in Pierre, SD.

SDREA Board Leadership Conference – Director Daniel reported on the SDREA Board Leadership conference he attended in Pierre, SD.

MREA Energy Issues Summit – Directors Roskamp, DeGreef, Martinson, Johnson, Weinacht, and Kooima reported on the MREA Energy Issues Summit they attended in St. Cloud, MN.

NOTICES OF MEETINGS, SELECTION OF DELEGATES/ATTENDANCE AUTHORIZATION

Basin Annual Meeting – Notice of the Basin Electric Annual Meeting that will be held November 6th – 7th, 2019 was given. All Directors were authorized to attend the Basin Annual Meeting per motion made by Mr. Kooima, seconded by Mr. DeMent. A motion was made by Mr. DeMent to nominate Mr. Johnson as the voting delegate and Mr. Daniel as alternate, seconded by Mr. Rogen. The motions carried.

Midwest Annual Meeting – Notice of the Midwest Annual Meeting that will be held December 9th – 12th, 2019 was given. Directors Martinson, Johnson, Daniel, Rogen, Leuthold, and Weinacht were authorized to attend the Midwest Annual Meeting, along with Mr. Daniel as the voting delegate and Mr. Martinson as alternate per motion by Mr. DeMent, seconded by Mr. Roskamp. The motion carried.

SB66 Meetings – Mr. Martinson made a motion to authorize all directors to attend all SB66 meetings in Pierre, seconded by Mr. Fish. The motion carried.

Director Winter School – Notice of the Director Winter School that will be held December 13th-18th, 2019 was given. Mr. Daniel made the motion to authorize directors DeGreef, Roskamp, and Fish to attend the Director Winter School in Nashville, TN, seconded by Mr. Johnson. The motion carried.

CoBank Nominating Committee – Mr. Kooima made a motion to appoint Manager McCarthy as voting delegate for the CoBank nominating committee, seconded by Mr. DeGreef. The motion carried.

NEXT MEETING

The next regular board meeting will be held on Monday, September 23rd, 2019 at Colman Headquarters, Colman, SD.

ADJOURNMENT

Mr. Daniel made a motion, seconded by Mr. DeMent to adjourn the Sioux Valley Energy board meeting at 1:50 p.m. The motion carried.

Allan Kooima, Secretary

Approved: _____