

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
December 23rd, 2019**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on December 23rd, 2019 commencing at 8:30 a.m. at the Colman headquarters in Colman, 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, Carrie Vugteveen, Ted Smith and Debra Bieber along with Executive Assistant Amy Voelker. Guests in attendance were Jay Buchholz, Key Account & Community Relations Executive; Mike Uhing, Journey Electrician; Cody Fritz, Journey Lineman; Sarina Hansen, Administrative Coordinator; and Kara Lebrun, Administrative Assistant.

REVIEW AND CONSIDERATION OF AGENDA

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

REVIEW AND CONSIDERATION OF BOARD MEETING MINUTES

A motion to approve the minutes of the November 25th, 2019 regular board meeting, with a change to the wording of the proposed credit support section was made by Mr. DeMent, seconded by Mr. Martinson. The motion carried.

REVIEW AND CONSIDERATION OF THE AFFIRMATIVE ACTION PLAN

Manager McCarthy called upon Debra Bieber who reviewed the three different Affirmative Action programs addressed in the Cooperative's Affirmative Action Plan for calendar year 2019. One for females and minorities, one for individuals with disabilities and one for protected veterans. A motion was made by Mr. Kooima, seconded by Mr. Martinson, to adopt the 2019 Affirmative Action Plan and affirm that the Cooperative is complying with the requirements of the plan.

BUTTERFLY HABITAT

Manager McCarthy called upon Betty VanDerWerff to present information on the Monarch Butterfly Habitat that Sioux Valley Energy is considering as an opportunity by the Colman headquarters. After discussion Mr. Martinson made a motion to move forward with the Butterfly Habitat, seconded by Mr. Rogen. The motion carried.

DIRECTOR COMPENSATION

Manager McCarthy called upon Amy Voelker to present the national average compensation wages for directors along with an update of director compensations from other South Dakota cooperatives. Betty VanDerWerff gave an update on how the per diem for meals during travel would be recorded. Directors held a discussion on compensation and a monthly per diem for meals and were in agreement to keep everything as is.

BOARD EDUCATION

Directors are viewing a series of educational videos on a variety of governance topics. This month they viewed "What Boards Need to Consider in Setting Rates".

ACRE/REPAC

Manager McCarthy called upon Carrie Vugteveen to give a short presentation to the Board on ACRE/REPAC. The presentation included "What is a PAC?" and "What can ACRE do for me?".

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 the REED Fund hosted representatives from the SD Governor's Office of Economic Development (GOED) at the East River headquarters. The goal was to introduce themselves and educate the GOED what the REED fund is and ways it can be beneficial to their efforts. The REC program was of particular interest to them. The GOED could see the benefit of marketing the program to prospective businesses early in the process.

Manager McCarthy shared that there are many local housing projects that continue to come in as more developers and communities become aware of REED's focus on financing for workforce and affordable housing.

Manager McCarthy gave an update that Basin published an RFP on November 25th seeking potentially up to 400-500 megawatts (MW) of solar generation in SPP and MISO, with no more than 200 MW of solar generation in MISO.

Manager McCarthy gave an update on FERC regulations. FERC has rejected Basin Electric's filings due to data deficiencies related to the filing format of its rates. Basin will have to re-file once they have corrected the deficiencies.

Manager McCarthy shared the rate comparisons of East River and Basin rates and regional G&T's. These rates are all very comparable.

Manager McCarthy shared that East River has reached a significant milestone with the 115kV conversion project on the west side of Sioux Falls. Six substations serving members of Sioux Valley Energy and Southeastern Electric are now being served on this upgraded 115kV system.

Manager McCarthy gave an update on the SD Highway 15 relocation project. This has been delayed due to a design error by the SD DOT.

Manager McCarthy shared that the number of RURAL Act cosponsors continues to rise. Last count has 302 members of the US House signed on to the bill along with 49 US Senators.

Manager McCarthy gave an update on the three state senators that have announced their resignations. The three are Alan Solano of Rapid City, Lyndi DiSanto of western South Dakota and Stace Nelson from Fulton.

Manager McCarthy called upon Carrie Vugteveen to give an update on the SB66/SB227 legislative issue.

ACCEPT MANAGER'S REPORT

A motion to accept the manager's report was made by Mr. Martinson, 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.

SDREA – Mr. Kooima reported on his attendance at the SDREA board meeting.

REPORTS ON MEETINGS ATTENDED

Winter Director Training – Directors Roskamp and DeGreef reported on their attendance at the Winter Director Training in Nashville, TN.

SDREA NRECA Leadership Courses – Directors Kooima, Weinacht, DeGreef and Daniel reported on their attendance at the SDREA NRECA Leadership courses.

Midwest Annual Meeting – Directors Martinson, Johnson, Daniel, Rogan, Leuthold and Weinacht reported on their attendance at the Midwest annual meeting.

NOTICES OF MEETINGS, SELECTION OF DELEGATES/ATTENDANCE AUTHORIZATION

Leadership Education Program – Notice of the Leadership Education Program that will be held January 6th – 7th in Sioux Falls, SD was given. Director DeGreef was authorized to attend.

East River Energize Forum – Notice of the East River Energize Forum that will be held February 5th – 6th in Sioux Falls, SD was given. Director DeGreef was authorized to attend.

MREA Annual Meeting – Notice of the MREA Annual Meeting that will be held March 17th – 18th in St. Paul, MN was given. Director Leuthold was authorized to attend.

A motion was made by Mr. DeMent for authorization of said directors to attend listed meetings above, seconded by Mr. Daniel. The motion carried.

MREA Voting Delegate – Mr. Rogan made a motion to appoint Mr. Johnson as MREA voting delegate along with Mr. Roskamp as alternate, seconded by Mr. Martinson. The motion carried.

NEXT MEETING

The next regular board meeting will be held on Monday, January 27th, 2020 at Colman Headquarters, Colman, SD.

ADJOURNMENT

Mr. DeMent made a motion, seconded by Mr. Fish to adjourn the Sioux Valley Energy board meeting at 10:45 a.m. The motion carried.

Allan Kooima, Secretary

Approved: _____