

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
June 25th, 2018**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on June 25th, 2018 commencing at 8:30 a.m. at the Colman headquarters in Colman, South Dakota.

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	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 and Carrie Law, along with Staff Assistant and Communications Specialist Amy Voelker.

REVIEW AND CONSIDERATION OF AGENDA

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

REVIEW AND CONSIDERATION OF MINUTES

A motion to approve the minutes of the regular board meeting of May 26th, 2018, with the addition of the Dakota Ethanol agreement was made by Mr. Zylstra, seconded by Mr. Johnson. The motion carried.

REVIEW AND CONSIDERATION OF OCTOBER BOARD MEETING

A motion was made by Mr. Rogen, seconded by Mr. Kooima to move the October board meeting to Monday, October 29th, 2018. The motion carried.

ANNUAL BOARD REORGANIZATION/ELECTION OF OFFICERS

President DeMent designated Attorney Peterson as temporary chairman to conduct the election portion of the meeting. Amy Voelker assisted with the tabulation of ballots.

Attorney Peterson declared nominations open for the East River director position. Upon completion of the tabulation of the ballots, Attorney Peterson reported that Rodney DeMent received a majority of the votes cast, where upon Mr. DeMent was elected to the East River board to represent Sioux Valley Energy.

Attorney Peterson declared nominations open for the office of President. Upon completion of the tabulation of the ballots, Attorney Peterson reported that Allan Weinacht received a majority of the votes cast, where upon Mr. Weinacht was elected President.

Attorney Peterson declared nominations open for the office of Vice-President. Upon completion of the tabulation of the ballots, Attorney Peterson reported that Gary Fish received a majority of the votes cast, whereupon Mr. Fish was elected Vice-President.

Attorney Peterson declared nominations open for the office of Secretary. Upon completion of the tabulation of the ballots, Attorney Peterson reported that Allan Kooima received a majority of the votes cast, whereupon Mr. Kooima was elected Secretary.

Attorney Peterson declared nominations open for the office of Treasurer. Upon completion of the tabulation of the ballots, Attorney Peterson reported that Arlyn Zylstra received a majority of the votes cast, whereupon Mr. Zylstra was elected Treasurer.

REVIEW AND CONSIDERATION OF L&O DIRECTOR POSITION

A motion was made by Mr. DeMent, seconded by Mr. Zylstra to seat Dan Leuthold on the L&O Board of Directors to replace the retired director, Mr. Drost. The motion carried.

HARRASMENT POLICY TRAINING

Manager McCarthy called upon Attorney Peterson to review policies MOG 7-M-27 (Harassment) and BOG 8-10 (Code of Ethics and Conduct for Directors, Attorney, and Employees) with the directors.

REVIEW AND CONSIDERATION OF COBANK LOAN AGREEMENT

Manager McCarthy presented the CoBank Loan Agreement to change our line of credit. Mr. Rogen made a motion to approve the new LOC with CoBank, seconded by Mr. Kooima. The motion carried.

STRATEGIC ISSUE DISCUSSION

Manager McCarthy discussed the upcoming strategic planning session that will take place in August. He scheduled Chris Baumgartner to facilitate this session.

POLICY REVIEW DISCUSSION

Manager McCarthy had a discussion with the board on how we will be moving forward with the policy reviews. We will start with policy 1 and move forward until we reach the end.

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 new system peak that Sioux Valley Energy hit in May.

Manager McCarthy reported from the East River MAC. He gave an update on the deferred revenue level, the transmission pole issue, the CFC integrity fund, the SDREA legislative committee, the ethanol update, and the VW settlement plan.

Manager McCarthy called upon Debra Biever to give an update on the survey that the employees took that was constructed by the Safety Steering team.

ACCEPT MANAGER'S REPORT

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

CFC Forum – Director Martinson reported on his attendance at the CFC Forum held on June 10th-13th.

MREA Legal Seminar – Attorney Peterson reported on his attendance at the MREA legal seminar.

NOTICES OF MEETINGS, SELECTION OF DELEGATES/ATTENDANCE AUTHORIZATION

MREA District 5 Meeting – Notice of the MREA District 5 Meeting that will be held July 19th was presented. Mr. Kooima made a motion to authorize directors Hansen, Leuthold, Martinson, DeMent, Johnson, and Zylstra to attend, seconded by Mr. Daniel. The motion carried.

MREA Energy Issues Summit – Notice of the MREA Energy Issues Summit that will take place August 8th-9th was presented. Mr. Martinson made a motion to authorize directors Martinson, Daniel, Kooima, Hansen, Johnson, Zylstra, and Rogen to attend, seconded by Mr. DeMent. The motion carried.

SDREA Board Leadership Meeting – Notice of the SDREA Board Leadership Meeting that will be held July 30th was given. Mr. DeMent made a motion for directors Weinacht and Fish to attend, seconded by Mr. Johnson. The motion carried.

OTHER NOMINATIONS

NREAC Voting Delegate – Mr. Zylstra made a motion to nominate Mr. Martinson as the NRECA voting delegate and Mr. Weinacht as the alternate, seconded by Mr. Hansen. The motion carried.

RESCO Ballot – Mr. DeMent made a motion to cast the RESCO vote, seconded by Mr. Zylstra. The motion carried.

EXECUTIVE SESSION

A motion by Mr. Kooima, seconded by Mr. DeMent to move into executive session with all directors in attendance began at 1:00 p.m. to discuss legal issues, a customer issue, and the assessment of the SVE organizational structure by Henry Cano from NRECA. Mr. Martinson made a motion to adjourn the executive session at 2:02 p.m., seconded by Mr. Kooima. The motion carried. No action was taken in executive session.

NEXT MEETING

The next regular board meeting will be held on August 27th, 2018 at the Colman headquarters.

ADJOURNMENT

Mr. Zylstra made a motion, seconded by Mr. DeMent, to adjourn the Sioux Valley Energy board meeting at 2:05 p.m. The motion carried.

Allan Kooima, Secretary

Approved: _____