

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
March 20th, 2018**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on March 20th, 2018 commencing at 8:30 a.m. at the Brandon Service Center in Brandon, SD.

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		

All directors were present , with the exception of Mark Rogen, who arrived at 10:00 a.m. Also present were Attorney Alan Peterson, General Manager Tim McCarthy, management staff members Ted Smith, Carrie Law, Betty VanDerWerff, and Debra Bieber along with Staff Assistant and Communications Specialist Amy Voelker.

REVIEW AND CONSIDERATION OF AGENDA

The agenda was presented for consideration with additions of discussion of expense account statements and terms of the board chair. A motion to approve the agenda was made by Mr. Drost, seconded by Mr. Martinson. The motion carried.

REVIEW AND CONSIDERATION OF MINUTES

A motion to approve the minutes of the regular board meeting of February 21st, 2018 was made by Mr. Weinacht, seconded by Mr. Martinson. The motion carried.

REVIEW AND CONSIDERATION OF RESOLUTION NAMING EMPLOYEES AS SIGNATORIES OF DNR PERMITS

Manager McCarthy called upon Ted Smith to review the resolution of naming employees as signatories of DNR permits. A motion was made by Mr. Zylstra to approve the resolution naming employees as signatures of DNR permits, seconded by Mr. Hansen. The motion carried.

A Resolution Naming Employees as Signatories for DNR permits

WHEREAS, from time to time, Sioux Valley-Southwestern Electric Cooperative Inc. (SVE) as operator of a rural electric system, needs to seek a permit from the Minnesota Department of Natural Resources (DNR) for crossing state lands and public waters under the control of the DNR. The DNR asks that SVE make them aware of who it wishes to act as signatory to the crossing permits, as applied for.

THEREFORE, BE IT RESOLVED, the Board of Directors of Sioux Valley-Southwestern Electric Cooperative Inc, acting in its role as governing body for Sioux Valley-Southwestern Electric Cooperative Inc., hereby names the following local officials as proper signatories for any permit requested from the DNR whether for crossing or for other administrative purposes. In the event any of the named individuals leave their job as designated, their proper replacement in title will thereby continue to be so authorized.

Approved Signatories:

Tim McCarthy, General Manager
Ted Smith, Director of Engineering and Operations
Michele Nielson, Manager of Engineering
Chad Williams, Operations Manager
Tim Fey, Operations Manager
Jim Kuyper, Lead Staking Engineer
Jim Beyers, Staking Engineer
Ryan Gruber, Staking Engineer

BRANDON SERVICE CENTER UPDATED PLAT

Manager McCarthy called upon Betty VanDerWerff to update the board on the Brandon Service Center plat. The City of Brandon approved SVE's request to rezone the property in Brandon from General Business to Light Industrial. We currently have two lots; the original 10 acres in which the building is on and the additional lot to the north.

SAFETY VIDEO – “THE JEREMY WHITE STORY”

Manager McCarthy shared the safety video “The Jeremy White Story” with the directors. Mr. DeMent shared the feelings he had from the NRECA annual meeting after he watched the video. Discussion was held on the strength of our safety program here at Sioux Valley Energy. Board members will now start attending our safety meetings and safety steering team meetings to show their support to the employees.

REVIEW AND CONSIDERATION OF MAC MEETING DATE

Dates for consideration of the next Member Advisory Council (MAC) meeting were discussed. Mr. Kooima made a motion to approve April 12th, 2018 as the next MAC meeting date, seconded by Mr. Daniel. The motion carried.

STRATEGIC ISSUE DISCUSSION

Manager McCarthy discussed the initiatives of the new balance scorecard and updated the directors on the status of each individual initiative.

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 reported on many topics from the manager's meeting from East River. He reported on the municipal annexation issue, wind projects that will be coming before the Commission, and economic development rates.

Manager McCarthy reported on the Basin Employee Exchange program called Basin Cooperative Connections that SVE will be taking part in.

ACCEPT MANAGER'S REPORT

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

REPORTS ON POWER SUPPLY MEETINGS

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

REPORTS ON MEETINGS ATTENDED

CoBank – Directors Daniel, Johnson, and Drost reported on the CoBank meetings they attended.

NRECA Annual Meeting – Directors DeMent, Martinson and Weinacht reported on the NRECA Annual Meeting they attended in Nashville, TN, February 26-28th, 2018.

NRECA BLC 964.1 Class at MREA – Director Johnson reported on the NRECA BLC class that he attended prior to the MREA Annual Meeting on March 14th, 2018.

MREA Annual Meeting – Directors Drost, Rogen, Hansen, Johnson, Zylstra, DeMent, and Kooima reported on their attendance at the MREA Annual Meeting that was held in Minneapolis, MN March 15-16th.

NOTICES OF MEETINGS, SELECTION OF DELEGATES/ATTENDANCE AUTHORIZATION

L&O Annual Meeting – Notice of the L&O Annual meeting on April 3rd in Iowa was given. All directors were authorized to attend. Mr. Rogen made a motion, seconded by Mr. Martinson to nominate Mr. Drost, Mr. Zylstra, and Mr. Johnson as directors to represent the Cooperative on the L&O Power Board of Directors for the ensuing year. The motion carried.

Mr. Rogen made motion, seconded by Mr. Martinson to nominate Mr. Drost as voting delegate and Mr. Weinacht as alternate. The motion carried.

OTHER BUSINESS

The directors discussed on how to record hours on expense sheets and if they were all recording it the same way.

The director discussed and clarified the three year president term agreement.

REVIEW AND CONSIDERATION OF NOVITA LETTER OF CREDIT

A motion was made by Mr. Zylstra, seconded by Mr. Drost to approve the Novita Letter of Credit, from executive session the prior month of March. This letter of credit needed to be approved out of executive session. The motion carried.

EXECUTIVE SESSION

A motion by Mr. Drost, seconded by Mr. Hansen to move into executive session to discuss Dakota Rates with all directors in attendance began at 12:40 p.m. Mr. Drost made a motion to adjourn the executive session at 12:55 p.m., seconded by Mr. Weinacht. The motion carried. No action was taken in executive session.

REVIEW AND CONSIDERATION OF DAKOTA RATES

Mr. Rogen made a motion to approve the Dakota Rates, seconded by Mr. Martinson. The motion carried.

NEXT MEETING

The next regular board meeting will be held on Monday, April 23rd, 2018 at the Colman Headquarters.

ADJOURNMENT

Mr. Zylstra made a motion, seconded by Mr. Drost to adjourn the Sioux Valley Energy board meeting at 1:15 p.m. The motion carried.

Allan Kooima, Secretary

Approved: _____