

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.  
November 26<sup>th</sup>, 2018**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on November 26<sup>th</sup>, 2018 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
Henning Hansen	Gregg Johnson	Allan Kooima
Bruce Martinson	Mark Rogan	Dave Daniel
Arlyn Zylstra	Gary Fish	

All directors were present. Also present were Attorney Alan Peterson, General Manager Tim McCarthy, leadership team members Debra Biever, Betty VanDerWerff, Ted Smith, and Carrie Vugteveen, along with Executive Assistant Amy Voelker.

**REVIEW AND CONSIDERATION OF AGENDA**

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

**REVIEW AND CONSIDERATION OF MINUTES**

A motion to approve the minutes of the regular board meeting of October 29<sup>th</sup>, 2018, was made by Mr. Martinson, seconded by Mr. Hansen with a correction for the motion made by Mr. Rogan in regards to the CoBank Regional Meeting authorization. The motion carried.

**REVIEW AND CONSIDERATION OF THE GENERAL RETIREMENT AND FORFEITURE OF UNCLAIMED CAPITAL CREDIT**

Manager McCarthy called upon Betty VanDerWerff to present a proposed resolution for the 2018 general capital credit retirement and declaration of forfeiture. The resolution included a \$1,800,000 general retirement of capital credits along with forfeiture of unclaimed capital credits retired in 2012.

As stated in the resolution: Mr. Hansen made a motion to approve a \$1.8-million general capital retirement, seconded by Mr. DeMent. Mr. Rogan made a motion to approve the forfeiture of the 2012 unclaimed capital credits, seconded by Mr. Zylstra. The motions carried.

WHEREAS, the Cooperative bylaws provide for the retirement of capital credits to members and former members of the Cooperative; and

WHEREAS, the Cooperative bylaws also provide that any unclaimed retired capital credits be irrevocably assigned and retained by the Cooperative.

THEREFORE, BE IT RESOLVED; that the Board of Directors of Sioux Valley Energy does hereby approve a general retirement of capital credits for 2018 in the amount of \$1,800,000,

AND BE IT FURTHER RESOLVED; that the Board of Directors of Sioux Valley Energy declares the forfeiture of unclaimed capital credits retired in 2012 to South Dakota accounts unless claimed within six months from the date of this resolution or notification required by the state.

**YEAR END PROJECTION/DEFERRED REVENUE**

Manager McCarthy reviewed the year end projection and deferred revenue options for 2019.

**REVIEW AND CONSIDERATION OF HARTFORD SERVICE CENTER**

Manager McCarthy called upon Ted Smith to present the opportunity of adding a Hartford service center. Ted presented information on potential savings in the Hartford area. Mr. Zylstra made a motion to move forward with the Hartford service center negotiations, seconded by Mr. DeMent. The motion carried.

### REVIEW AND CONSIDERATION OF EXECUTIVE COMPENSATION 457 (b) PLAN FOR DIRECTORS

Manager McCarthy called upon Debra Biever to present the executive compensation 457 (b) plan for directors. Mr. Martinson made a motion, seconded by Mr. Hansen, to approve an executive comp 457 (b) plan for interested directors. The motion carried.

### CEO BOARD AND COMMITTEE SERVICE

Manager McCarthy gave an update on the current board and committee involvement he has had since 2013 and time commitment to them.

### BOARD EDUCATION

Directors are viewing a series of educational videos on a variety of governance topics. This month they viewed "Methods of Nominating Directors".

### POLICY REVIEW DISCUSSION

Manager McCarthy reviewed Board Policy 9; BOG 9-1 and 9-2. Mr. Kooima made a motion, seconded by Mr. Hansen, to approve updates and changes to the Board policy 9 BOG 9-1 and 9-2. 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 and the Board had an in-depth discussion in regards to Basin Electric.

Manager McCarthy gave an update on the first EmPOWER session that was held in Brandon.

Manager McCarthy shared that East River has completed the move from their Highland building to the new substation building at the service center west of Madison.

Manager McCarthy gave an update on E15.

Manager McCarthy gave an update on the SD Wind Energy Association. He also congratulated Gary Fish on being appointed as Board President.

Debra Biever reported on the new Electric Vehicle (EV). She shared that we have leased it and that it is getting a wrap added to it. This will be the centerpiece of our new EV program and will be used to educate our members and employees.

### ACCEPT MANAGER'S REPORT

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

### REPORTS ON POWER SUPPLY MEETINGS

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

Basin Annual Meeting – Directors reported on their attendance at the Basin Annual meeting.

Legislative Luncheon – Directors reported on the legislative luncheon.

LCEDA/MCEDA Annual Meeting – Director Johnson reported on his attendance at the LCEDA/MCEDA annual meeting.

NOTICES OF MEETINGS, SELECTION OF DELEGATES/ATTENDANCE AUTHORIZATION

SDREA Voting Delegate – Mr. Rogen made a motion to appoint Director Weinacht as voting delegate and Director DeMent as alternate for the SDREA Annual meeting, seconded by Mr. Martinson. The motion carried.

East River Energize Forum – Notice of the East River Energize Forum that will be held February 6<sup>th</sup>-7<sup>th</sup>, 2019 was presented. Mr. Rogen made a motion to authorize all directors to attend, seconded by Mr. Kooima. The motion carried.

Director's Conference – Mr. Daniel made a motion to authorize Director DeMent for the director's conference in San Antonio, TX that will take place February 9<sup>th</sup>-12<sup>th</sup>, 2019, seconded by Mr. Johnson. The motion carried.

Coop Day at the Capital – Notice of the Coop Day at the Capital that will be held February 20<sup>th</sup>, 2019 was presented. Mr. DeMent made a motion to authorize all directors to attend, seconded by Mr. Daniel. The motion carried.

MREA Annual Meeting – Notice of the MREA Annual Meeting that will be held February 18<sup>th</sup>-20<sup>th</sup>, 2019 was presented. Mr. Martinson made a motion to authorize all directors to attend, seconded by Mr. Johnson. The motion carried.

NRECA Director Educational Programs/Annual Meeting – Notice of the NRECA Director Education Programs and Annual Meeting that will be held March 7<sup>th</sup>- 13<sup>th</sup>, 2019 was presented. Mr. Leuthold made a motion to authorize Directors Daniel, DeMent, Zylstra, and Weinacht to attend, seconded by Mr. Fish. The motion carried.

MREA NRECA BLC Summit – Notice of the NRECA's BLC Summit at MREA that will be held January 22<sup>nd</sup>-24<sup>th</sup>, 2019 was presented. Mr. DeMent made a motion to authorize Director Rogen to attend, seconded by Mr. Martinson. The motion carried.

EXECUTIVE SESSION

Mr. Kooima made a motion to move into executive session, seconded by Mr. Hansen at 1:12 p.m. to review a director candidate concern. Mr. Zylstra made a motion to adjourn executive session at 1:29 p.m., seconded by Mr. Kooima. The motions carried.

DIRECTOR CANDIDATE

After reviewing a conflict of interest of an interested director candidate it was decided, according to bylaws, this interested party would be disqualified as a candidate to run for the Board of Directors. Manager McCarthy and Attorney Peterson were in agreement with the Board's decision.

NEXT MEETING

The next regular board meeting, along with the work plan and budget meeting, will be held on December 17<sup>th</sup>, 2018 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.

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Allan Kooima, Secretary

Approved: \_\_\_\_\_