

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
April 27th, 2017**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on April 27th, 2017 commencing at 9:00 a.m. at Deer Creek Station in Elkton, 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	Gary Drost	Dave Daniel
Henning Hansen	Arlyn Zylstra	Allan Kooima
Bruce Martinson	Mark Rogen	Allan Weinacht
Gary Fish	Gregg Johnson	

All directors were present. Also present were Attorney Alan Peterson, General Manager Tim McCarthy, management staff members Betty VanDerWerff, Ted Smith, Debra Biever, and Carrie Law, along with Staff Assistant and Communications Specialist Amy Voelker. Employees present were Paul Mantz, Key Account and Community Relation and LeAnn Nelson, Manager of Accounting.

REVIEW AND CONSIDERATION OF AGENDA

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

REVIEW AND CONSIDERATION OF MINUTES

A motion to approve the minutes of the regular board meeting of March 29th, 2017 was made by Mr. Martinson, seconded by Mr. Hanson. The motion carried.

TOUR OF DEER CREEK STATION

A tour of the Basin Electric Deer Creek Station was provided before the meeting.

REVIEW AND CONSIDERATION OF CREDENTIALS AND ELECTION COMMITTEE FOR ANNUAL MEETING

A list of Cooperative members who indicated they would be willing to serve on the Credentials and Election committee for the 2017 annual meeting was presented. A motion to appoint the following individuals to the Credentials and Election committee for the June 6th annual meeting was made by Mr. Drost, seconded by Mr. Weinacht. The motion carried. Committee includes: Nancy Hinricher, John Kleinjan, Greg Benda, Tom Davis, Harry Buck, Marvin Vankekerix, and Jed Huisman.

TOP 100 USER REVIEW

Manager McCarthy called upon Paul Mantz to present the top 100 users. Paul reviewed the top forty users that included the history and background for each account. A list of the top 100 accounts was provided to each board member.

REVIEW AND CONSIDERATION OF 2016 FINANCIAL AUDIT REPORT

Chair DeMent called upon Betty VanDerWerff who introduced Craig Popenhagen of the Clifton Larson Allen, LLP auditing firm who reviewed the financial audit of the books and records for Sioux Valley Southwestern Electric Cooperative and its subsidiaries.

Mr. Popenhagen stated that the Cooperative is in strong financial condition and exercising effective internal controls. Mr. Popenhagen reported the unmodified opinion of the 2016 consolidated financial statements. A motion to approve the 2016 Audit Report, as presented, was made by Mr. Rogen, seconded by Mr. Weinacht. The motion carried.

REVIEW AND CONSIDERATION OF 2017 AUDIT PROVIDER

Manager McCarthy called upon Betty VanDerWerff to present the proposal to contract Clifton Larson Allen, LLP auditing firm for three years. A motion to approve to move forward using Clifton Larson Allen, LLP auditing firm was made by Mr. Martinson, seconded by Mr. Kooima. The motion carried.

REVIEW AND CONSIDERATION OF REC PRICING

Manager McCarthy called upon Ted Smith to propose changing our REC pricing to \$1 as of May 1, 2017. Mr. Martinson made a motion to move RECs to \$1 as of May 1, 2017. Mr. Fish seconded the motion. 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 the East River MAC meeting.

Manager McCarthy reported on the L&O Annual meeting.

Manager McCarthy reported on the EmBe Tribute to Women that he and the Energy Services department attended to support our employee Jennie Patrick, who was nominated for the Young Women of Achievement award.

Manager McCarthy reported that Lynn Moore was selected as the next Executive Director of Touchstone Energy.

Manager McCarthy had Carrie Law give an update on the progress of the Annual Meeting.

Manager McCarthy gave an update that the registration for the 2017-18 EmPower Sessions is underway.

Manager McCarthy had Ted Smith give a Pipestone County ordinance update.

Manager McCarthy gave an update from the legislative visits in Washington, DC that he and Carrie Law took part in.

ACCEPT MANAGER'S REPORT

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

REVIEW AND CONSIDERATION OF GENERAL MANAGER'S QUARTERLY EXPENSE STATEMENT

Arlyn Zylstra, Treasurer, reported that he reviewed the General Manager's expense and credit card statements for the period of January through March, 2017 and found all expenses to be in order. The report was accepted and payment of the General Manager's statement in the amount of \$1,942.75 was approved per a motion by Mr. Kooima, seconded by Mr. Fish. The motion carried.

REVIEW AND CONSIDERATION OF ATTORNEY'S QUARTERLY EXPENSE STATEMENT

Amy Voelker presented the quarterly expense statements for Attorney Peterson. A motion to approve payment of the Attorney's expense statements for January through March, 2017 in the amount of \$13,375.60 was made by Mr. Zylstra, seconded by Mr. Kooima. The motion carried.

REPORTS ON POWER SUPPLY MEETINGS

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

Basin Electric Board Meeting – Mr. Drost reported on his attendance at the Basin Electric board meeting.

L&O Power Board Meeting – Mr. Johnson reported on his attendance at the L&O Power board meeting.

SDREA Board Meeting – Mr. Hansen reported on his attendance at the SDREA board

meeting.

NOTICES OF MEETINGS, SELECTION OF DELEGATES/ATTENDANCE AUTHORIZATION

CoBank Directors Conference –The CoBank Directors Conference will be held on June 27-29, 2017 in Colorado Springs, Colorado. Mr. Daniel made a motion to authorize Director Johnson to attend, seconded by Mr. Martinson. The motion carried.

EXECUTIVE SESSION

Mr. Drost made a motion, seconded by Mr. Kooima, to move into executive session, to discuss personnel issues, at 2:00 p.m. Mr. Zylstra made a motion to adjourn the executive session at 2:05 p.m., seconded by Mr. Martinson. The motion carried.

NEXT MEETING

The next regular board meeting will be held on May 30th, 2017 at the Colman headquarters.

ADJOURNMENT

Mr. Zylstra made a motion, seconded by Mr. Kooima to adjourn the Sioux Valley Energy board meeting at 2:10 p.m.

Allan Kooima, Secretary

Approved: _____