

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.
June 28th, 2016**

The regular meeting of the Board of Directors of the Sioux Valley-Southwestern Electric Cooperative, Inc. (dba. Sioux Valley Energy) was held on June 28th, 2016 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	Gary Drost	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 Betty VanDerWerff, 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. Review and consideration of bylaw articles VII-XII was added to the agenda. A motion to approve the amended 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 May 26th, 2016 was made by Mr. Zylstra, seconded by Mr. Martinson. 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 office of President. Upon completion of the tabulation of the ballots, Attorney Peterson reported that Rodney DeMent received a majority of the votes cast, whereupon Mr. DeMent 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 Allan Weinacht received a majority of the votes cast, whereupon Mr. Weinacht 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.

INTERNAL REVENUE SERVICE FORM 990

The Internal Revenue Service Form 990 was attached with the board meeting materials for review and presented at the board meeting by Betty VanDerWerff. The report was deemed accurate.

REVIEW OF CUSTOMER SERVICE PROGRAMS FOR TECHNOLOGY SAVINGS MEASURES

Manager McCarthy called upon Debra Biever to present information on the customer service programs for prepaid metering, remote reconnects, and the telephone IVR system and the savings we have gained from having this technology in place.

REVIEW OF THE BASIN RATE INCREASE

Manager McCarthy presented and reviewed two scenario's for East River to absorb the 7 mil increase from Basin Electric's 2016 mid-year rate increase. Discussion was held

on educating our members about the impact this will have on rates for the rest of 2016 and what is to come next year.

REVIEW AND CONSIDERATION OF BYLAW ARTICLES VIII-XII

Attorney Peterson reviewed Articles VIII – XII – Attorney Peterson had no concerns in regards to these bylaw sections.

REVIEW AND CONSIDERATION OF UTILITY SAFETY INNOVATIONS

Manager McCarthy called upon Betty VanDerWerff to present and request board approval of the disbanding and/or discontinuing the insurance for Utility Safety Innovations. Eighty of the eighty-four rubber elbow cover-ups have been returned to RESCO, the remaining four cannot be located. Mr. Zlystra made a motion to cancel the insurance as of August 1st, 2016 when it comes due, but continue to keep Utility Safety Innovation as a business, as we own the patent for the next seven years, seconded by Mr. Martinson. The motion carried by majority vote.

REVIEW AND CONSIDERATION OF TECH SCHOOL FOR SOUTH DAKOTA CAMPAIGN ORGANIZATION FOR THE PASSAGE OF AMENDMENT “R”

Manager McCarthy request board approval of the support of Amendment “R”. Mr. Fish made a motion to approve and adopt the following resolution, seconded by Mr. Hansen. The motion carried.

WHEREAS, this organization realizes that skilled workers are crucial to a vibrant South Dakota economy and our State’s industries. South Dakota’s Technical Institutes are the prime providers of this workforce. We believe the passage of a constitutional amendment that recognizes that Technical Institutes’ mission and mandate is the best way to elevate their status. We further believe it is necessary to give the Technical Institutes a stronger voice in prioritizing State and Federal assets committed in support of that mission.

WHEREAS, the Tech Schools for South Dakota Campaign Organization for passage of Amendment R will ensure that the state of South Dakota upholds educating and training a skilled workforce as a legitimate function of our postsecondary education system.

NOW, THEREFORE, BE IT,

RESOLVED, that the Sioux Valley-Southwestern Electric Cooperative Inc. Board of Directors hereby approves and adopts the Tech Schools for South Dakota Campaign Organization for passage of Amendment R as of June 28, 2016.

REVIEW AND CONSIDERATION OF MEMBER ADVISORY COUNCIL (MAC) MEETING DATE

Dates for consideration were offered for the next Member Advisory Council meeting date. Mr. Drost made a motion to schedule the next MAC meeting date for August 25, 2016, at the Colman Community Room, seconded by Mr. Kooima. 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 East River MAC meeting, REED Meeting, L & O MAC meeting, and the SDREA managers meeting.

Manager McCarthy reported that Paul Mantz has been making great progress on key account visits. He has been informing them about the new REC program and has had positive support.

Manager McCarthy reported that Brant Lake voted to become a town and that we will work through any ramifications if needed, but it appears they will be reorganized as a town on our system.

Manager McCarthy reported that the annual meeting was another success. More than 800 members and guests attended the event on June 6th.

Manager McCarthy gave an update on the Energy Services programs and incentives with increasing construction season. We are seeing demand for water heaters with more apartment complexes being constructed and wanting to take advantage of our programs. The leadership team made a recommendation to not actively promote water heater sales for the apartment complexes for 2016 and it can be evaluated for the 2017 budget.

ACCEPT MANAGER'S REPORT

A motion to accept the manager's report was made by Mr. Martinson, 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 COOPERATIVE BOARD MEETING – Mr. Johnson reported on his attendance at the L&O Power Cooperative board meeting.

REPORTS ON MEETINGS ATTENDED

CFC Forum – Directors Rogen and Martinson reported on their attendance at the CFC Forum held on June 6th – 8th.

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

NOTICES OF MEETINGS, SELECTION OF DELEGATES/ATTENDANCE AUTHORIZATION

SDREA Legal Seminar – Notice of the SDREA legal seminar in Oacoma on July 13th-14th was presented. Mr. Drost made a motion to authorize Attorney Peterson to attend, seconded by Mr. Rogen. The motion carried.

East River Annual Meeting – Notice of the East River Annual Meeting that will be held on September 7th was presented. Mr. Rogen made a motion to authorize all directors to attend, seconded by Mr. Martinson. The motion carried.

EXECUTIVE SESSIONNEXT MEETING

The next regular board meeting will be held on July 26th, 2016 at the Colman headquarters.

ADJOURNMENT

Mr. Zylstra made a motion, seconded by Mr. Drost, to adjourn the Sioux Valley Energy board meeting at 2:30 p.m. The motion carried.

Allan Kooima, Secretary

Approved: _____