

WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
Thursday, October 19, 2017

President, Tostenson called the regular meeting to order at 8:03 AM at the Cooperative Headquarters.

Directors Present: Tostenson, Strasser, Atyeo-Gortmaker, Jensen, Berens, Hook, Niedert and Adler

Directors Absent: Nelson

Staff Present: Page, Barlund, Weber, Christensen

Others Present: Harvey Oliver, Attorney

Agenda:

- A motion to approve the agenda was seconded and carried.

Minutes:

- A motion to approve the minutes of the September 25, 2017 regular meeting was seconded and carried.

The Consent Agenda included:

Loss Control Report, Estate & Special Capital Credit Retirements, New Members, Tenant Changes, Cash flow statement, Check Listing, Credit Card statement.

- A motion to approve the consent agenda was seconded and carried.

Management Reports:

Operations Manager, Christensen reported on power outages, safety training and construction and maintenance activities. He also discussed recent repairs of the digger derrick and the delivery date of November 30th for it's replacement.

Member Services Manager, Mark Weber, reported on wiring and heating job activity as well as life safety monitor installations and power quality inspections he's conducting. He reported that a higher number of standby generators have been sold this year.

Office Manager, Gail Barlund submitted a written report and discussed financial reports, the Form-7 and office activities. She also presented a financial review report from CFC showing that Whetstone's margins are sufficient to cover plant additions and capital credit retirements while continuing a modest growth in equity.

- A motion to approve the Management Staff reports was seconded and carried.

The General Manager submitted a written report and discussed energy sales for 2017, the ongoing Rate and Cost of Service Study and updates from East River and Basin Electric. He also duscused the EPA's plans to repeal the Clean Power Plan.

- A motion to approve the General Manager's report was seconded and carried.

WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
Thursday, October 19, 2017

Meeting Reports:

No meetings to report on.

Reports:

East River Strasser reported on the activities of East River.

SDREA Tostenson reported on SDREA activities.

Upcoming Events

- Nov 8-9 Basin Annual Membership Meeting, Bismarck
- Nov 13 East River Director / Employee Orientation, Madison
- Dec 7-8 SDREA / NRECA Board Leadership Training, Pierre
- Dec 12-14 Midwest Electric Consumers Assn. Annual Meeting, Denver
- Jan 11-12 SDREA Annual Meeting, Pierre
- Feb 25-28 NRECA Annual Meeting, Nashville

Other Business:

Policy 60-7 Capital Credits Allocation and Retirement was reviewed without change. Additional capital credit retirement options were discussed and will be further explored.

A motion to accept the Labor Committees recommendation for wage & benefit packages presented by the general manager was seconded and carried.

A motion to propose bylaw amendments to Article III, Sections 1 & 6 to allow more flexibility to the order of business at the annual membership meeting was seconded and carried.

The attached bylaw amendments will be presented at the 2018 annual meeting for election by the membership.

It was noted that inspections of the warehouse conducted by Federated Insurance and Morton Buildings concluded that significant hail damage will require the replacement of the roof.

Executive Session:

A motion to enter executive session was seconded and carried.

A motion to exit executive session was seconded and carried.

Adjournment:

- A motion to adjourn was made, seconded and carried."

Next Regular Board Meeting:

Monday, November 20, 2017 8:00 AM

Coop Board Room

President

Secretary

ARTICLE III MEETING OF MEMBERS

SECTION 1. Annual Meeting.

During the first one-half of each calendar year, beginning with the calendar year 1959, the annual meeting of the members shall be held at such place in the counties of Grant or Roberts, State of South Dakota, as shall be designated by the board of directors in the notice of the meeting, for the purpose of electing directors, passing upon reports for the previous fiscal year and transacting such other business as may come before the meeting. The board of directors may prescribe any conditions, procedures or limitations of such elections or voting subject to the provisions of the bylaws. At the annual meeting, business may be conducted and voting may commence upon the registration of a quorum. It shall be the responsibility of the board of directors to make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture of dissolution of the Cooperative.

SECTION 6. Order of Business.

The rules of order regarding business brought before the membership at an annual meeting and the order of business at such meeting shall be as determined by the Board of Directors. At the annual member meeting in addition to such other business as may come before the membership: (1) the President shall *provide* a written or oral report regarding the activities of the Cooperative; and (2) the Treasurer *shall provide or have provided* a written or oral report regarding the financial condition of the Cooperative.

~~The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows:~~

- ~~1.—— Report on the number of members present in person in order to determine the existence of a quorum.~~
- ~~2.—— Report on the number of persons represented by proxy and the names of their respective proxies.~~
- ~~3.—— Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting as the case may be.~~
- ~~4.—— Presenting or reading of unapproved minutes of previous meetings of the members, or waiving the reading thereof, and the taking of necessary action thereon.~~
- ~~5.—— Presentation and consideration of reports of officers, directors and committees.~~
- ~~6.—— Election of directors.~~
- ~~7.—— Unfinished business.~~
- ~~8.—— New business.~~
- ~~9.—— Adjournment.~~