

WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, August 22, 2019

The regular meeting of the Board of Directors of Whetstone Valley Electric Cooperative, Inc. was held on Thursday, August, 22, 2019 commencing at 8:01 AM at the Cooperative headquarters in Milbank, South Dakota.

The meeting was called to order by President, Bill Tostenson who presided and Secretary, Darren Strasser, acted as Secretary.

Directors Present: Bill Tostenson, Darren Strasser, Dale Jensen, Krista Atyeo-Gortmaker, Joel Adler, Paul Nelson, Scott Niedert, Dave Behrns,

Directors Absent: Tom Berens,

Staff Present: Page, Christensen, Weber

Others Present: Orris Swayze, Derrick Larson, Harvey Oliver

Review and Consideration of Agenda

- The agenda was presented for consideration. A motion to approve the agenda with the addition of assigning delegates was seconded and carried.

Review and Consideration of Minutes

- A motion to approve the minutes of the regular meeting of July 22, 2019 was seconded and carried.

Review and Consideration of the Consent Agenda including:

Loss Control Report, Estate & Special Capital Credit Retirements, New Members, Tenant Changes, Check Listing, Credit Card statement and Cash Flow. Also included was the inventory of capitalized work orders totaling \$58,382.

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

Management Reports

Operations Manager, Jon Christensen submitted a written reported and discussed activities of the line department. He reported that underground projects are behind schedule due to the wet weather. He also provided an update on the pole yard restoration project.

Member Services Manager, Mark Weber submitted a written report and discussed current activities and reported on the department financials. He also provided an update on the search for an HVAC technician.

Office Manager, Gail Barlund submitted a written report. General Manager, Page discussed current activities of the office department and financials.

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

At 8:23 am a motion to enter executive session was seconded and carried.

At 9:21 am a motion to exit executive session was seconded and carried.

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Review and Consideration of the General Manager's Report

General Manager, Page submitted a written report highlighting current and year to date energy sales and margins. Page discussed Basin's 2020 rates and potential impact to wholesale power costs to East River and Whetstone.

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

Orris Swayze provided a brief overview and asked for support of his communication efforts to encourage the use of ethanol.

Derrick Larson of Eide Bailey presented a clean audit report and discussed considerations for adjusting plant depreciation rates.

Power Supply and Association Meeting Reports:

East River Strasser provided a report on activities of East River.

SDREA Tostenson reported on the activities of SDREA including a legislative update of SB-66.

Executive Session:

At 11:45 am a motion to enter executive session was seconded and carried.

At 12:11 pm a motion to exit executive session was seconded and carried.

Other Business:

A motion to approve the update of policies 20-8 and 20-8a to reflect current IRS mileage rates was seconded and carried.

A motion to approve the resolution to complete the 2019-2022 construction loan with RUS was seconded and carried.

A motion to approve the 2020 load forecast prepared by Basin Electric Power Cooperative was seconded and carried.

Appointment of delegates for the Mid-West Electric Consumers Association was tabled.

Adjournment:

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

Next Regular Board Meeting: Thursday, September 19, 2019 8:00 AM Coop Board Room

President

Secretary