

WHETSTONE VALLEY ELECTRIC COOPERATIVE, INC.
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, November 21, 2019

The regular meeting of the Board of Directors of Whetstone Valley Electric Cooperative, Inc. was held on Thursday, November, 21, 2019 commencing at 8:00 AM at Whetstone Valley Electric Cooperative Headquarters, 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, Tom Berens, Paul Nelson, Scott Niedert, Dave Behrns,

Directors Absent:

Staff Present: Page, Barlund, Christensen, Weber

Others Present: Shaurice Moorman, Power Systems Engineering

Review and Consideration of Agenda

- The agenda was presented for consideration. A motion to approve the agenda was seconded and carried.

Review and Consideration of Minutes

- A motion to approve the minutes of the regular meeting of October 24, 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 \$73,537.

- 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 also discussed some underground jobs that will be completed this year to improve reliability and avoid expected weather related delays in the spring.

Member Services Manager, Mark Weber submitted a written report and discussed current activities and reported on the department financials. He also discussed his recent visit with the East River member services group and a tour of the smart home lab project. Weber also discussed optional third-party grain handling controls designed to reduce power costs for the consumer.

Office Manager, Gail Barlund submitted a written report and reported on current activities of the office department and financials. She also discussed a recent draw on the active RUS loan with an interest rate of 2.1 percent.

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

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Review and Consideration of the General Manager's Report

General Manager, Page submitted a written report and highlighted year to date energy sales. He also discussed recent activities of East River Electric and Rural Electric Economic Development. Page reported on Basin's financial forecast and retirement of capital credits to be distributed in December. He also provided an update of the legislative summer study of Senate Bill 66.

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

Shaurice Moorman of PSE presented the financial forecast with several scenarios. She also discussed equity management and capital credit retirement strategies.

Power Supply and Association Meeting Reports:

Behrn, Ateo-Gortmaker and Page reported on the Basin annual meeting and members-only meeting.

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 1:50 pm a motion to enter executive session was seconded and carried.

At 2:05 pm a motion to exit executive session was seconded and carried.

Other Business:

Staff presented the revised draft capital and operating budget for 2020.

A motion to approve a resolution to request from RUS a plan to defer up to \$300,000 of 2019 margins into the next three years to delay a rate increase was seconded and carried.

Bill Tostenson was nominated and elected to represent Whetstone Valley at SDREA.

A motion to approve changes to policy 40-3 adding the service type of "Station Service" was seconded and carried.

A motion to adopt policy 50-18 and approve the Service Station rate for the coming year was seconded and carried.

Delegates and alternates were selected for the Mid-West Electric Consumers Assn. and SDREA annual meeting.

Adjournment:

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

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

President

Secretary