

September Board Summary

The board of directors of Dakota Energy Cooperative met on Wednesday, September 21, 2011, with all directors present. Also present were Manager Gates and staff members Jodene Decker, Chad Felderman, Lynn Kruse and Mike Moncur.

President Dearborn announced that Director Micheel has been appointed by Governor Daugaard to the Board of Service to the Blind and Visually Impaired. This is an advisory council that provides advisement and guidance to the Service to the Blind and Visually Impaired in policy and program development.

Manager Gates reported on the following items:

- CoBank & U.S. AgBank Merger – Gates reported that on September 7, 2011 the members of CoBank and U.S. AgBank voted to approve the merger of the two corporations. This merger will take place on January 1, 2012.
- Leadership Huron Program – Gates announced that Matt Zomer is a member of the 2011-12 Leadership Huron class.
- Midwest Independent System Operators (MISO) Information Meeting – Gates stated that East River Electric will be holding an information meeting on Basin's proposed membership in MISO on October 5th in Madison.
- Proposed Kilowatt Hour Sales Tax Legislation – Gates presented information on the proposed tax legislation to replace the gross receipts tax that is paid by the cooperatives. The tax would be based on the amount of kilowatt hour sales versus the amount of gross receipts sales. This legislation will be proposed to our state legislators for the 2012 legislation session.
- 2012 Budgets – A special board meeting will be held on December 2, 2011 at 9 a.m. to review the proposed 2012 budgets.
- Idle Services – Gates reported that DEC has retired 71 services this year and 169 services remain idle. DEC has a total of 3,717 services for 4.5 percent idle service rate. Rural Utilities Services requires a less than 10 percent services rate.

Operations Manager Lynn Kruse reported on the following items:

- Da Pro new service update status.
- FEMA has approved the project to replace the south circuit coming out of the Miller substation.
- SBS Inspections tested 1,165 poles in Beadle County with 2.8 percent of the poles being rejected, which will be replaced.
- Construction activities in Hand and Hyde Counties.
- Region 6 meeting in Minneapolis, Minnesota.

Manager of Member Services Chad Felderman reported on the following items:

- Consumer wind tower installation of a 65 kW turbine that will sell electricity to Basin Electric and WAPA. This is projected to go online in October.
- Basin Tour was held in August. This year included a tour of a wind farm and a coal mine.

- MYMETER has added the application for smart phones. Consumers can use their smart phone to monitor their electric usage.
- East River Electric's Annual meeting in Sioux Falls.

Manager of Finance and Administration Mike Moncur reported on the following items:

- FEMA employees visited this week to look at construction projects totaling \$35,000.
- Working on the budgets for 2012.
- The custodian in Miller will retire at the end of September. He has already advertised the position and will begin interviews.

Moncur reviewed the Cooperative's financial packet for the month of July 2011.

Board members considered and/or acted upon the following matters:

- Accepted the financial reports as presented.
- Accepted the management reports as presented.
- Approved a new Board Policy Statement on Conditions of Electric Service.
- Approved revised Board Policy Statements on equipment usage, building moves, non-sufficient funds and reviewed board policy on service charge on past due accounts.
- Approved new services agreements with Butler Machinery and Lyle Rowen, Jr.
- Approved a service exception agreement for Mitch Peterson with Northern Electric Cooperative in Bath.
- Approved appointing Director Gross as delegate to Midwest Electric Consumers Association Annual Meeting.
- Approved appointing Director Dearborn as the NRECA Director Election voting representative.
- Approved changing the November board meeting to Monday, November 14, 2011.

Board will conduct a board self-evaluation and CEO/General Manager evaluation at their November meeting. The strategic business plan and budgets will be addressed at a Special Meeting set for December 2nd at 9:00 a.m. at the Huron office.

Director Dave Gross reviewed the East River Electric Cooperative Annual Meeting activities.

Director David Allen reviewed the East River Electric Cooperative monthly board meeting activities.

Directors Dearborn, Gross and Micheel reviewed the NRECA Region 6 meeting, CFC District meeting, NISC meeting and Federated Rural Electric Insurance Exchange meeting activities.

Director Duxbury reviewed the South Dakota Association of Cooperatives Annual Meeting activities.

The next regular monthly meeting will be held on Wednesday, October 19, 2011 at the Huron office.