

MINUTES OF THE BOARD OF DIRECTORS OF  
CHERRY-TODD ELECTRIC COOPERATIVE, INC.  
April 24, 2018

CALL TO ORDER & ATTENDANCE:

The meeting was called to order at 10:12 a.m. by Chairman Bordeaux. Directors present at the commencement of the meeting were Meek, Assman, Stolzenburg, Brickner, Valburg, and Bordeaux. Also present at the initiation of the meeting were attorneys David Larson and Jessica Hegge and Manager Grablander.

AGENDA

Collection Policy was added to the Agenda. No other additions were made to the agenda. Motion to approve the agenda as amended made by Stolzenburg and seconded by Meek. Motion carried.

MINUTES

The following corrections were made to the March 2018 minutes: Director Meek was added as present at the beginning at the meeting. Brickner made a motion to approve the minutes as amended. Motion seconded by Assman. Motion carried.

BOARD VISIT- Autumn Tucker

Autumn Tucker entered the meeting to address the Board. Tucker questioned the Board about the Cooperative's policy for filing a complaint with the Cooperative. She also had questions for the Board regarding notification of the ending of family health insurance coverage with the Cooperative. She was informed that NRECA would have made that notification to her husband, a former employee, by mail. She admitted to her husband receiving a packet in the mail from NRECA. Tucker also requested copies of the Cooperative's policies on filing complaints with the Cooperative, accident investigation, and health insurance status change notification. Attorney Larson stated he would get the requested Cooperative policies to Tucker as she requested. Tucker left the meeting after her discussion with the Board.

MANAGERS REPORT

Financials- Office Manager Benda presented the financial report as printed in the Board packet. Manager Grablander presented the checklist. Director Brickner and Director Stolzenburg reviewed the checklist for the month and had no objections.

Allocation of 2017 Margins - Office Manager Benda requested that the Board table the discussion and subsequent motion regarding allocation of 2017 margins until the auditors finish the Cooperatives 2017 Audit. The Board agreed to table the discussion and motion until the May Board meeting.

USDA Commercial Loan Advance- Manager Grablander and Office Manager Benda discussed with the Board about the possibility of drawing the remainder of the loan or a large portion of the remainder to lock in a low interest rate. If the Cooperative waits to draw the remainder of the loan there is the strong possibility those interest rates will increase. The remainder of the loan amount must be drawn by the fall of 2019. There was consensus among the Board that Manager Grablander and Office Manager Benda make a decision and provide the Board with a report presenting their preferences at the May Board meeting.

Collection Policy- The Board discussed the Cooperative's Collection Policy as there have been issues in the past month with the April storms and collections. Many of the issues were caused by miscommunications between the Cooperative and the LIHEAP program which caused

additional delays in making LIHEAP payments. Another factor was the Rosebud Tribal Council's recent decision to decrease LIHEAP payments due to dwindling funds. This caused more people to be disconnected this month than usual. This caused an increase in complaints to Directors and the Cooperative. There was discussion among the Board of possible solutions to problems with collections. The Board requested that Manager Grablander and Office Manager Benda investigate impacts of reducing the amount of collections fees to make sure that doing so would still allow the Cooperative to cover all its cost associated with doing collections. The Board would like this information prior to the next Board meeting to review it ahead of time. The Board also discussed how moving to a prepayment method for LIHEAP would greatly reduce collection issues. Director Stolzenburg made a motion to invite Rosebud Sioux Tribe Treasurer Wayne Boyd, the Chairman of the Budget and Finance Committee Mike Boltz, and LIHEAP Director Lori Walking Eagle to the May Board meeting to discuss collection issues and possible prepayment of LIHEAP payments. Second by Meek. Motion carried.

The Board adjourned for lunch at 12:23 p.m. and reconvened at 12:58 p.m.

Financial Report (continued) - Manager Grablander presented the margins, debts, investments, etc. as presented in the Board packet.

Safety Activities- Manager Grablander presented on the employee safety meeting minutes and SDREA meeting minutes. Discussion about safety violation reporting form for employees, time tickets, and grounding methods. Discussed employee trainings/continuing education that have taken place in the last month and what trainings/continuing education employees have coming up.

New Construction- Manager Grablander presented on the new construction orders as presented in the Board packet.

Outage Report -Manager Grablander presented the outage report, service orders, collections, disconnects, etc. as presented in the Board packet.

#### PROPOSED BYLAW CHANGE

Motion by Stolzenburg to approve the proposed bylaw change to Section 3 of the Cooperative's bylaws. Second by Brickner. Motion carried.

#### BOARD ATTENDANCE POLICY

The Board reviewed the proposed Board Attendance Policy and made the amendment changing "any one calendar year" to "any twelve month period" throughout the policy. Motion to approve the proposed Board Attendance Policy titled Regular Meeting Attendance by Directors as amended by Assman. Second by Valburg. Motion carried.

#### 2018 IBEW NEGOTIATIONS PLANNING

Manager Grablander and the Board discussed making plans regarding the upcoming IBEW negotiations. There was agreement among the Board to hold negotiations offsite and have Attorneys Larson and Hegge handle the negotiations for 2018.

#### SDREA GROUP RETENTION PROGRAM RESPONSE

Manager Grablander informed the Board that he had received a letter from the SDREA Group Retention Program ("Group") regarding the electrical contact accident. Manager Grablander and Attorney Larson will provide a written response to the Group along with the information requested.

## MISCELLANEOUS

Firefighting Leave- Manager Grablander discussed a request received by Cooperative employees who serve as volunteer fire fighters in surrounding communities. There was discussion among the Board about the possibility of Attorneys drafting a community service policy. Attorneys will write a draft of a community service policy and present to the Board at a future Board meeting.

10 Hour Schedule- The Cooperative is tentatively looking at beginning a 10 hour schedule in May for operations employees. The 10 hour schedule will continue through the end of September. Manager Grablander will keep in contact with operations employees regarding the transition and if any issues arise.

2018 ACRE Dues- Manager Grablander reminded the Board to pay their 2018 ACRE dues if they have not done so already.

Ipads- Manager Grablander presented the information he obtained regarding costs of purchasing different models/packages of Ipads for Directors and management staff to use for operations. Agreement among the Board for Manager Grablander to contact Rushmore to purchase Ipads as discussed.

CFC Integrity Fund- Motion by Meek to contribute at 5% on a year by year basis to the CFC Integrity Fund. Second by Bud. Motion carried.

## ATTORNEY'S REPORT

Attorney Larson informed the Board that he is currently setting up negotiation sessions for the Rosebud Sioux Tribe case. Attorney Larson also updated the Board on the status of the employee arbitrations for Mark Tucker and David Piper.

## WORK ORDER INVENTORIES

Board reviewed Inventory 491 (see attached). Motion to approve by Valburg, second by Brickner. Motion carried.

## ACCEPTANCE OF MEMBERSHIPS, REFUND OF MEMBERSHIPS, ESTATE RETIREMENTS, IRRIGATION, AND STOCK WATER WELLS

Read into minutes by Chairman Bordeaux (see attached). Motion to approve by Valburg. Second by Stolzenburg. Motion carried.

## MEETING REPORTS

Director Meek reported on the SDREA regular meeting.

Director Brickner reported on the Rushmore Electric annual meeting and regular meeting. Director Brickner has been assigned to Rushmore Electric's policy committee and the wage committee.

There were no other meeting reports.

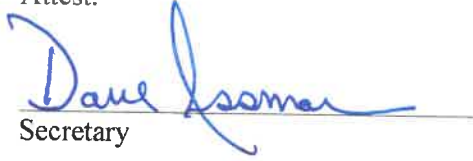
Motion to adjourn the meeting by Brickner with a second by Valburg. Motion carried. Chairman Bordeaux declared the meeting adjourned at 3:27 p.m.

(Seal)

Approved:

  
President

Attest:

  
Secretary