

MINUTES OF THE BOARD OF DIRECTORS OF
CHERRY-TODD ELECTRIC COOPERATIVE, INC.
January 23, 2018

CALL TO ORDER & ATTENDANCE

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

AGENDA

Bylaw Change, Director Absence Policy, and SRS Survey were 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 Tucker. Motion approved.

MINUTES

The following corrections were made to the December 19, 2017 minutes: SRS survey request motion by Director Tucker was added. Brickner made a motion to approve the December minutes as amended. Motion seconded by Assman. Motion approved.

Director Meek entered the meeting at 10:19 a.m.

MANAGERS REPORT

Financials- Manager Grablander presented the checklist. Director Tucker and Director Stolzenburg reviewed the checklist. Manager Grablander presented the financial report as printed in the Board packet. Manager Grablander presented the margins, debts, investments, etc. as presented in the Board packet.

Outage Reports

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

Safety Activities

Manager Grablander presented on the employee safety meeting minutes and updated the Board on ground testing and trainings that took place in the last month. SDREA was at the Cooperative and did training on ground testing, SPCC and PPE review on December 20, 2017. All employees were present except one. Manager Grablander also presented on the employee safety committee meeting that took place on December 20, 2017. They did a personal protective equipment (PPE) review.

Labor Management Committee

Manager Grablander presented on the Labor Management Committee meeting on Dec 28, 2017. The minutes of that meeting were presented in the Board packet. Discussed proposed agenda items for the meeting taking place on January 24, 2018.

New Construction

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

CFC Strategic Planning

CFC strategic planning session is scheduled for March 1- 2, 2018, beginning at 11 am on Thursday and finishing on Friday afternoon. The deadline to present and decided on topics for those meetings is February 2, 2018. The Board suggested that the session be held off site in Winner at Holiday Inn Express. Manager Grablander will look into booking a site in Winner.

Audit Proposals for 2017

Office Manager Benda entered the meeting at 10:55 a.m. Office Manager Benda and Manager Grablander presented the auditor proposals received from Eide Bailly, Clearview Group (NRECA audit only), Clifton Larson Allen, and Ketel Thorstenson. These proposals included a NRECA compliance audit 401K and R and S employee benefits.

Manager Grablander and Office Manager Benda's recommendation was that the Cooperative use Eide Bailly for the 2017 audit and get bids from other companies for the 2018 audit. The main reason for this recommendation was it being too late this year to transfer the work to a new company. Motion by Assman to accept Eide Bailly's proposal for the 2017 audit and Clearview for the 2017 NRECA audit. Second by Brickner. Motion carried.

Office Manager Benda and Manager Grablander will readdress requesting bids for the 2018 audit with the Board at the May 2018 Board Meeting.

Chairman Bordeaux left the meeting at 11:10 am and Brickner took over the meeting as Chairman.

Accounting Software

Office Manager Benda discussed the Cooperative options for completing IRS form 990 for the Cooperative. The options include purchasing new software, use the IRS online forms, or hire an outside accounting firm to complete the work. Office Manager Benda believed the estimated cost for purchasing the software to be around \$1,600 per year. The new software would allow Office Manager Benda to carry information from the previous year's form to the next year's form which would save her time preparing the documents. No action taken by the Board. Office Manager Benda is going to compile prices for software and present them at the February Board meeting.

Office Manager Benda left meeting at 11:25 a.m.

Cooperative Budget

Manager Grablander presented the budget proposal as printed in the Board packet. Manager Grablander presented the irrigation annual sales from 2004-2017. This was used when Manager Grablander was working on the presented budget.

Motion by Meek to approve the budget as presented and Assman seconded. Motion carried.

ESTATE CAPITAL CREDIT RETIREMENTS, REFUND OF MEMBERSHIPS, AND ACCEPTANCE OF MEMBERSHIPS

Chairman Brickner read the estate capital credits retirements, refund of memberships, and acceptance of memberships into the minutes (see attached). Motion to approve by Assman second by Stolzenburg. Motion carried.

APPROVAL OF WORK ORDER INVENTORIES

Motion to approve Work Order Inventory 490 (see attached) by Assman and seconded by Valburg. Motion carried.

STOCK WATER WELLS

The stock water wells were read into minutes by Chairman Brickner (see attached). Motion to approve by Assman. Second by Valburg. Motion carried.

STAFF REPORT- MARK IYOTTE

Mark Iyotte entered the meeting at 11:50 a.m. to update the Board on operations. In the last month thirty breakers were replaced and sent out for cleaning. There was discussion among the Board and Iyotte regarding breaker types, safety advantages and disadvantages to both, how each fail, etc. There was also discussion about starting a wellness program for the employees. Iyotte had gathered quotes for basic equipment to get started and proposed putting the equipment in the wire warehouse. No decision was made regarding purchasing equipment by the Board. Iyotte left the meeting at 12:17 p.m.

The Board adjourned for lunch at 12:18 p.m. and reconvened at 12:49 p.m.

EXECUTIVE SESSION- OSHA UPDATE

Stolzenburg made a motion to go into executive session which was seconded by Tucker. Motion carried. The Board entered executive session at 12:50 p.m.

Motion by Stolzenburg to accept the settlement agreement from OSHA. Second by Tucker. Motion carried.

Valburg made a motion to approve a reimbursement payment to Hagar Ranch, LLC in the Wolf/Hagar Ranch dispute and pursue legal avenues against Barry Wolf. Motion was seconded by Assman. Motion carried.

Motion to adjourn executive session by Stolzenburg. Second by Tucker. Motion approved. The Board exited executive session at 1:59 p.m.

STAFF REPORTS

Office Manager Benda and Beau Westover entered at the meeting at 2:05 p.m. to discuss the labor management meeting in December and the events in the Cooperative following that meeting. Management feels there is a need to discuss with employees the protocol of how the suggestions/concerns raised in labor management meetings will go on as recommendations and that no action is to be taken until approved by Management or the Board.

Office Manager Benda presented an update on interviews for the open cashier position, Smarthub implementation plan in February, and purchasing new printers for the office. Office Manager Benda then left the meeting at 2:23 p.m.

Westover reported on the upcoming employee Christmas party, the load management meeting, and the 2018 annual meeting. Westover left the meeting at 2:26 p.m.

There were no other staff reports.

BYLAW AMENDMENT

There was general discussion among the Board of possible bylaw changes which would have Director elections/the annual meeting take place in the county the Director is representing. The Board directed Attorney Larson to begin drafting a proposed bylaw amendment changing the length of the terms for the current At-large Director and the Todd County Director so that the Todd County Director can be elected at the annual meeting held in Todd County in future years.

TRIBAL LAWSUIT

After discussion among the Board, Chairman Brickner designated Directors Meek, Tucker, and Attorney Larson to meet with the tribe regarding resolving the pending lawsuit sometime in March.

DIRECTOR ATTENDANCE POLICY

Discussion among the Board regarding about potential quorum problems, tardiness, and the disservice to the people who elected a Director when the Director does not attend meetings and participate. The Board consensus regarding the policy is to issue a warning to the Director after two absences and after three absences the Board has the discretion to remove the Director from the Board. The Board directed Attorney Larson to update the draft Director Attendance Policy to present to the Board.

SRS SURVEY

Manager Grablander gave an update on the SRS Survey. The survey has been started and given to the employees, but most have not been returned. Once the results are received, Manager Grablander will still need to do compilation of the surveys. The Board directed Manager Grablander to have the survey ready to present at next month's Board meeting. The Board also discussed whether salary employees should be receiving the stipend to take the phone for afterhours outage calls, but no action was taken.

MISCELLANEOUS

Manager Grablander presented Ipad quotes he received from Rushmore Electric. The Board directed Manager Grablander to get additional quotes from Rushmore Electric for smaller Ipad models.

ATTORNEY'S REPORT

Attorney Larson has no further report other than what had already been discussed in the meeting.

MEETING REPORTS

Director Meek reported on the SDREA regular meeting and the SDREA annual meeting.

Chairman Brickner reported on the Labor Management Committee Meeting. The Board discussed implementation of a 4x10 schedule with outside staff, incorporation of a time clock, follow-up on employee surveys results and resulting changes, updating employees regarding current personal cell phone policy. and the need to conduct a dress code policy review with employees.

There were no other meeting reports.

Motion by Assman to adjourn the meeting, second by Valburg. Motion carried. Chairman Brickner declared the meeting adjourned at 3:24 p.m.

(Seal)

Approved:


President

Attest:


Secretary