MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF CHERRY-TODD ELECTRIC COOPERATIVE, INC.
February 25, 2022
(January 2022 meeting)

A regular meeting of the board of directors of Cherry-Todd Electric Cooperative, Inc., for the month of January 2022 was held on the 25th day of February 2022.

CALL TO ORDER: The meeting was called to order by Chairman Bordeaux at 10:28 am.

ROLL CALL: Directors present in person were Bordeaux, Fullerton, Brickner, Valburg, Yellow Eagle, and Frederick. Director Meek was not present at the start of the meeting.

Also present were Manager Grablander and Attorney Hegge (via Webex).

AGENDA: There was a motion to approve the agenda, as appearing in the Call to Order, by Yellow Eagle, seconded by Valburg. The motion was approved.

MINUTES: The December 2021 minutes were not available for review or approval. The approval of the December 2021 minutes was tabled.

FINANCIAL REPORT: Manager Grablander presented the Financial Report.

MANAGER REPORT: Manager Grablander presented his report and went over Cooperative business.

RUSHMORE CAPITAL CREDIT FINAL ESTIMATE: Manager Grablander presented Rushmore Capital Credit Allocation Estimation.

2022 BUDGET: Manager Grablander presented the final draft of the 2022 Budget. Motion to approve 2022 Budget by Yellow Eagle, Second by Frederick. Motion carried Unanimously.

REVENUE DEFERRAL FOR 2021: Manager Grablander presented the options for revenue deferral to the Board. After discussion, Brickner made a motion to approve $1,000,000 in revenue deferral for the year 2021, second by Tucker to adopt the following resolution:

CHERRY-TODD ELECTRIC COOPERATIVE, INC.

RESOLUTION to AMEND REVENUE DEFERRAL PLAN

The following is an excerpt from the minutes of the regular meeting of the Board of Directors of Cherry-Todd Electric Cooperative, Inc. held February 25, 2022.

WHEREAS, Cherry-Todd Electric Cooperative, Inc. experienced larger irrigation revenue due to a significant drought Cherry-Todd Electric Cooperative, Inc anticipates having excess/extraordinary margins in year 2021.

AND WHEREAS, the Board of Directors of Cherry-Todd Electric Cooperative, Inc. believes that it is in the best interest of the membership for long-term rate stability to defer a portion of that extraordinary revenue to future years;

AND WHEREAS, the Board of Directors of Cherry-Todd Electric Cooperative, Inc. is not aware of any potential impact on its tax exempt or "cooperative" status;

AND WHEREAS, the South Dakota Public Utilities Commission has no jurisdiction over the

cooperative's rate making activities and therefore no approval is necessary.

AND WHEREAS, Cherry-Todd Electric Cooperative, Inc. has a current RUS approved revenue deferral plan, inclusive of amendments, which provides for the following $1,030,000 revenue recognition in future years.

NOW THEREFORE BE IT RESOLVED, that Cherry-Todd Electric Cooperative, Inc. wishes to amend their RUS approved revenue deferral plan to provide an additional $1,000,000 of deferred revenue making a total of $2,030,000 of deferred revenue for recognition in future years effective December 31, 2021.

AND BE IT FURTHER RESOLVED, that the cash equivalent of the deferred revenue shall be segregated in a special fund until such time as it is subsequently amortized back into revenue;

NOW THEREFORE BE IT RESOLVED, that Cherry-Todd Electric Cooperative, Inc. anticipates the deferred revenue amounts to be recognized in future years as follows:

2022 $318,000
2023 $856,000
2024 $856,000

AND BE IT FURTHER RESOLVED, that Cherry-Todd Electric Cooperative, Inc. will accept the responsibility for implementation of the plan.

Director Meek joined meeting at 12:00 pm via WebEx.

WORK ORDER STATUS LISTINGS: Manager Grablander presented on completed work orders which were still listed as open, and the strategy being used by the Cooperative to get old completed work orders closed out in the system.

STAFF REPORTS: Chris Rahn briefly reported on the recent posting job openings at the Cooperative, the scholarship program, his recent through inventory of materials, and a new app being used for improved work order/inventory reporting. Rahn also reported on a towing issue involving one of the Cooperative's vehicles. There were no other staff reports.

WORK ORDERS, MEMBERSHIP APPLICATIONS, MEMBERSHIP REFUNDS, STOCK WATER WELL CONTRACTS, ETC.: Brickner motioned, seconded by Fullerton, to accept the attached stated new memberships, canceled memberships plus refunds of said membership fees, refund capital credits allocated on the books to heirs or legatees of deceased patrons, stock water well contracts, and work order resolutions as presented. Motion carried unanimously.

MEETING REPORTS: There were no meeting reports.

NEW BUSINESS: There was no new business.

UPCOMING MEETING DATES: The regular February Board Meeting will take place on March 25, 2022, at 10:00 AM. The regular March Board Meeting will take place on March 29, 2022, at 10:00 AM.

Frederick motioned, seconded by Fullerton, to adjourn the meeting. Motioned carried unanimously. Meeting adjourned at 1:31 PM.

(Seal)

Approved:

President

Attest:

Secretary

RUS Form 219 Inventory Of Work Orders

Period: DEC 2021 System Designation: 42041

Inventory : 527

Budget Loan	Project	Amount
1	- 102	1,954.75
1	- 602	29,950.48
1	- 607	125,165.90
1	0000	0.00
	Total:	157,071.13

BORROWER CERTIFICATION

WE CERTIFY THAT THE COSTS OF CONSTRUCTION SHOWN ARE THE ACTUAL COSTS AND ARE REFLECTED IN THE GENERAL ACCOUNTING RECORDS. WE FURTHER CERTIFY THAT FUNDS REPRESENTED BY ADVANCES REQUESTED HAVE BEEN EXPENDED IN ACCORDANCE WITH THE PURPOSES ON THE LOAN, THE PROVISIONS OF THE LOAN CONTRACT AND MORTGAGE, RUS BULLETINS, AND THE CODE OF FEDERAL REGULATIONS RELATIVE TO THE ADVANCE OF FUNDS FOR WORK ORDER PURPOSES. WE CERTIFY THAT NO FUNDS ARE BEING REQUESTED FOR REIMBURSEMENT OF CONSTRUCTION WORK IN A CBRA AREA.

SIGNATURE (MANAGER) DATE

SIGNATURE (BOARD APPROVAL) DATE

ENGINEERING CERTIFICATION

I HEREBY CERTIFY THAT SUFFICIENT INSPECTION HAS BEEN MADE OF THE CONSTRUCTION REPORTED BY THIS INVENTORY TO GIVE ME REASONABLE ASSURANCE THAT THE CONSTRUCTION COMPLIES WITH APPLICABLE SPECIFICATIONS AND STANDARDS AND MEETS APPROPRIATE CODE REQUIREMENTS AS TO STRENGTH AND SAFETY. THIS CERTIFICATION IS IN ACCORDANCE WITH ACCEPTABLE ENGINEERING PRACTICE.

INSPECTION PERFORMED BY FIRM

LICENSE NUMBER DATE SIGNATURE OF LICENSED ENGINEER