

MINUTES OF THE BOARD OF DIRECTORS OF  
CHERRY-TODD ELECTRIC COOPERATIVE, INC.  
August 28, 2018

CALL TO ORDER & ATTENDANCE:

The meeting was called to order at 10:22 a.m. by Chairman Bordeaux. Directors present at the commencement of the meeting were Meek, Assman, Stolzenburg, Brickner, Valburg, Tucker, and Bordeaux. Also present at the initiation of the meeting was Manager Grablander. Attorneys David Larson and Jessica Hegge entered the meeting at 10:30 a.m. Kathleen Wooden Knife was absent.

AGENDA

No additions were made to the agenda. Motion to approve the agenda made by Valburg and seconded by Stolzenburg. Motion approved.

MINUTES

The following corrections were made to the July minutes: addition that Valburg was late to the meeting not absent. Brickner made a motion to approve the minutes as amended. Motion seconded by Stolzenburg. Motion approved.

MANAGERS REPORT

Financials- 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. Director Brickner and Director Stolzenburg reviewed the checklist.

New Construction

Manager Grablander presented 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.

Safety Activities

Manager Grablander presented on the employee safety meeting minutes and SDREA meeting minutes.

2018 AUDIT- EIDE BAILY PROPOSAL

The Board reviewed the proposal from Eide Bailey for the 2018 Audit. Agreement among the Board to have IRS 990 Form completed by the auditor next year. This change will increase Eide Bailey's proposal. Motion to approve Eide Bailey's 2018 proposal with the addition of the completing of IRS 990 Form by Assman. Second by Brickner. Motion carried.

BOARD VISIT- Vic Simmons RST Solar Project

Vic Simmons met with the Board to discuss the RST Solar Project that was recently approved. Simmons made a presentation regarding the current state of Basin and Rushmore.

BOARD VISIT- OFFER GROUP

Ronald Neiss and Paula Antoine entered the meeting representing OFFER. OFFER discussed their mission, ways to increase communication with tribal members, and requested policy information from the Cooperative. Rose Cordier, a representative of OFFER, entered the meeting at 12:21 p.m. OFFER discussed recent motions by the RST Council regarding voting by mail and reapportionment of directors by member population by county. Attorney Larson explained that voting by mail would violate state law

SDCL 47-21-20, 47-21-57, and 47-21-13. A copy of the statutes were provided to OFFER. The Board heard OFFER's concerns and participated in discussion regarding the same. There was discussion of how the bylaws prohibited voting on a proposed bylaw change posed by a member at the same annual meeting, special meeting requirements in the bylaws, and other questions raised by OFFER regarding procedure, notice, and time requirements. Representatives of OFFER left the meeting at approximately 1:05 p.m.

The Board adjourned for lunch at 1:10 p.m. and reconvened at 1:45 p.m.

#### OFFER GROUP (continued)

There was discussion among the Board regarding OFFER's concerns, bylaw requirements, and proper procedure. Following discussion, there was a motion by Stolzenburg to have RST Council's resolution regarding board reapportionment be presented by a member under new business at the 2018 Annual Meeting to be considered as a proposed bylaw amendment to be voted on at the 2019 Annual Meeting. Meek second. Motion carried unanimously. One Director absent.

Motion by Meek that RST Council's Motion regarding mailed ballots not be presented as new business at the 2018 Annual Meeting due to state law prohibiting mailed ballots for director elections. Second by Brickner. Motion carried unanimously. One Director absent.

Motion by Tucker to release names of director election candidates to public the next business day after the director election candidate filing deadline. Second by Meek. Motion carried unanimously. One Director absent.

#### REGION VI, MIDWEST ELECTRIC, BASIN ANNUAL MEETINGS

Manager Grablander, Director Brickner and Chairman Bordeaux plan on attending Region VI meeting. Manager Grablander, Director Assman, and Chairman Bordeaux plan on attending Basin's Annual meeting. Manager Grablander, Director Assman and Chairman Bordeaux plan on attending the Midwest Electric meeting. Brickner will be attending on behalf of Rushmore Electric for both the Basin and Midwest meetings.

#### RESCO AND CFC DELEGATES

Director Brickner will act as the voting delegate for Resco and CFC meetings with Chairman Bordeaux acting as the alternate.

#### IPAD SET UP

Technical assistance helped set up Call to Order on the Directors I pads.

#### MISCELLANEOUS

Demand Savings- Manager Grablander presented the total amount the Cooperative has saved from demand control since the inception of the program.

#### ATTORNEY'S REPORT

Attorney Larson discussed the possibility of hiring a PR firm for the Cooperative. Stolzenburg made a motion to give Attorney Larson authority to hire a PR firm. Second by Assman. Motion carried.

#### STAFF REPORT- BEAU WESTOVER

Westover gave the Board an update on the Annual Meeting planning. Basin decided just prior to the meeting that they will no longer record annual meetings in an effort to cut expenses. Westover is attempting to find another company to record the meeting.

#### WORK ORDER INVENTORIES

Reviewed Inventory 494 (see attached). Motion to approve by Stolzenburg with a second by Assman. Motion carried.

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

New Memberships read into minutes by Chairman (see attached). Motion to approve by Brickner. Second by Assman. Motion carried.

Refund of memberships, estate retirements, Stock water wells, read into minutes by Chairman (see attached). Motion to approve Assman. Second by Stolzenburg. Motion carried.

MEETING REPORTS

Stolzenburg reported on the NREA Meeting.

There were no other meeting reports.

Brickner made a motion to adjourn the meeting with a second by Stolzenburg. Motion carried. Chairman declared the meeting adjourned at 3:44 p.m.