MINUTES OF A MEETING
OF THE BOARD OF DIRECTORS OF
CHERRY-TODD ELECTRIC COOPERATIVE, INC.
(February 27, 2024)

**Call to Order**: The meeting was called to order by Vice President Brickner in the absence of President Bordeaux who was serving in the Legislature. All other directors were present in person.

**Minutes**: Minutes were approved subject to correction to note that Director Antoine had attended the January meeting by phone, and correction of a spelling error in the discussion of the employee meeting. Motion by Director Valburg, second by Director Fullerton. Motion approved.

**Agenda**: Director Antoine requested the addition of an executive session. With that addition the agenda as printed in call to order was approved. Motion by Director Meek, second by Director Antoine. Motin approved.

**Financial Report**: Office Manager Farley presented the financial report. There was a discussion of whether or not the cooperative would need to make use of deferred revenue and if so, how much. The deferred revenue plan was approved as printed. Form 7 was discussed, and it was noted that the form must be approved by March 1. Motion by Director Antoine, second by director Meek, to approve the Form 7, and accept the financial report. Motion approved.

**Check Audit**: Director Meek and Director Fullerton performed the check audit. All checks pulled for explanation were appropriately explained and there were no discrepancies noted.

**Report to the Board**: Mgr. Grablander presented the report to the board as printed in Call to Order.

**Manager's Report**: There was a discussion of an outage caused by a contractor raising a machinery boom into the line. Fortunately, there were no injuries. The downed line fell across a fence causing a number of small fires. The accident resulted in an outage to the School and Town. Service was restored in appropriate amount of time.

**Rates:** The Board spent considerable time discussing the need for a rate increase. Manager Grablander presented projections for a 4% increase and a 6% increase for purposes of the discussion. Each projection would result in a shortfall to be made up

from deferred revenues. Major concerns to the board were consumer ability to pay and lessening the potential hardship that might result from taking too big an increase at one time. It was noted that TUC had been informed of the need for an increase withing the range being discussed and appeared to understand the need for the increase. Ultimately it was decided to go with a 5% increase with the projected short fall to be made up from deferred revenues as a compromise between the two proposals. Director Meek moved that the Cooperative raise the rates by 5%, to be effective April 1, seconded by Director Antoine. Motion approved.

Member Attendance Policy: There was a discussion regarding a change to the director attendance policy to allow telephonic and online attendance to be given the same credit as physical attendance. Attorney Larson advised that South Dakota law allowed both telephonic and online attendance. He was instructed to prepare a revision to current policy or a new policy to allow for telephonic or online attendance. Motion by Director Valburg, seconded by Director Fullerton. Motion approved.

**Transformer Replacement**: Mgr. Grablander presented the board with options for replacement of the damaged substation transformer and possibility of obtaining a backup. Motion by Director Antoine moved to repair the damaged transformer, and obtain a backup, seconded by Director Valburg. Motion approved.

**Nebraska Boys State and Girls State**: Director Fullerton presented a request that the Cooperative fund 1 Girls State delegate at a cost of $400. Motion by Director Antoine, second by Director Valberg. Motion approved.

**Meetings with TUC and Bylaws Proposal**. There was a general discussion of the need to have follow up meetings with TUC both concerning the rates and the Bylaws Proposal. Management was directed to follow up.

**Staff Reports**:

**Chris Rahn**: Chris reported on additional security requirements for login to the Cooperative's computer system, increased cost of Microsoft 365 subscription, and Credit Union staffing.
He also reported on Workforce Management software advantages followed by motion by Director Antoine, second by director Meek to implement the new software. Motion approved.
Chris reported that the new bucket truck should be arriving that week.

He reported that he had 7 scholarship applications, and wanted to know if he could have approval to give all 7 scholarships. Motion by Valberg, second by Director Fullerton to allow all 7 scholarships.

**Mark Iyotte**: Mark reported on work at St. Fransis Substation, and tree trimming. He also discussed the contractor contact incident previously discussed by Mgr. Grablander.

**Common Motion**: Motion by Director Antoine, seconded by Director Tucker to approve recurring motions for wells, memberships, capital credits, and refunds. Motion approved.

**Executive Session**: Motion by Director Antoine, second by Director Tucker to go into executive session to discuss staff interactions with consumers. Following the executive Mgr. Grablander was reminded of the need to provide training for the staff in dealing with consumers, and the attorney was directed to research policies regarding members' inappropriate and harassing conduct toward employees.

**Meeting Reports**:

**Director Meek**: Director Meek reported generally on the recent TUC meetings, the fact that TUC appeared to have recognized the need for an increase and mentioned that the idea of a discount for early payment had been discussed and should be considered. It was also noted that automatic payment options should be promoted.

**Director Brickner:** Director Brickner reported on NREA meeting. A represented from Federated had discussed the need for informal jobsite visits by management, and encouraged avoiding disciplinary response in favor of general discussion of things that went right, things that went wrong, and how to do better in the future.

**Adjournment**: There being no further business to come before the meeting Director Fullerton moved adjournment, seconded by Director Valburg. Motion approved.

The meeting was declared adjourned at 12:50 p.m.

APPROVED:

President

ATTEST:

Amanda Antoine

Secretary

# RUS Form 219 Inventory Of Work Orders

Period: DEC 2023 System Designation: 42041

Inventory : 550

| Budget Loan | Project | Amount |
|---|---|---|
| 1 | | -2,964.45 |
| 1 | - 101 | 16,949.15 |
| 1 | - 102 | 36,572.32 |
| 1 | - 602 | 91,473.52 |
| 1 | - 607 | 80,996.08 |
| 1 | - 702 | 28,312.85 |
| 1 | 0000 | 0.00 |
| | Total: | 251,339.47 |

## 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