

MILLE LACS ENERGY COOPERATIVE
Aitkin, MN 56431

The regular meeting of the Board of Directors of the Mille Lacs Energy Cooperative was held at its office in Aitkin, Minnesota on December 2, 2022. All board members were present with Don Appel and Derik Midthun attending via Zoom.

MLEC new employee Journey Level Line worker Greg Greely was introduced to the directors.

President Harold Harms called the meeting to order at 9:15 a.m.

All team leaders were present. Executive Assistant Debra Chute was also present. Everyone joined in the Pledge of Allegiance.

These minutes being transcribed by or under the direction of Secretary/Treasurer, Aileen DeMenge, the following proceedings were had: (all action being first duly moved and seconded, and all action taken being upon the unanimous vote of the Board, or without dissenting vote or abstention, unless otherwise stated).

M/S/P to approve consent agenda items expense vouchers for the period ending December 22, 2022, agenda for the December 22, 2022 regular board meeting, and minutes of the November 23, 2022 regular board meeting.

The team and financial reports for the month of November were reviewed and accepted upon motion.

Revenue Deferral Resolution

Discussion was held on a board resolution to implement a RUS approved revenue deferral plan to defer an amended \$2,000,000 revenue until 2024, 2025, 2026, 2027 and 2028.

M/S/P to approve resolution.

Said resolution is attached to these minutes.

PROPOSED 2023 BUDGET

The Management Team led by Accounting and Finance Manager Lincoln Messner presented the recommended and updated 2023 budget.

VOTING

2.1 BUILDING

M/S/P to proceed with the new MLEC headquarter building plan of \$16million with a \$1M contingency and \$1M in FF&E (Furniture, fixtures, and equipment)

2.2 RATES

M/S/P to approve a \$16/month base charge increase as of April 1, 2023 usage, May 10, 2023 billing.

2.3 2023 BUDGET

M/S/P to approve the 2023 Proposed Budget as submitted by Management Team.

2.4 Recommended Write-offs

M/S/P to approve the recommended electric and other accounts receivable write-offs for this month in the amount of \$1,570.77.

2.5 Policy Review

M/S/P to approve the following revised policy:

- Policy No. 319 – HIPAA – Health Insurance Portability Accountability Act
- Policy No. 320 – Employment References
- Policy No. 321 – Mobile Device Policy
- Policy No. 322 – Procurement Conflict of Interest

2.6 Board Activity Reports

GRE – Harold Harms gave a verbal report on the December 2022 GRE monthly board meeting.

MREA – Aileen Demenge gave a verbal report on the December 2022 MREA meeting.

RUS - None

CFC One Card Program – MLEC has earned a cash rebate of \$2,068.29 by using CFC's One Card program. This rebate is for the period of September 1, 2021 through August 31, 2022.

NRECA – None

MAC – None

FEDERATED – None

NRTC – NRTC Voting Delegate currently is Mike Reem. NRTC conducts an electronic election.

M.S.P to elect Mike Reem as Voting Delegate for 2023.

RESCO – None

NISC – None

M/S/P to accept the activity reports.

2.7 2023 Banking

General fund and capital credit checking accounts and interest savings accounts are at Neighborhood National Bank.

The lockbox account is at Deerwood Bank. Construction Accounts are at Security State Bank.

No banking changes are recommended by the MLEC Management Team.

REPORTS

3.1 Safety Control

Deanna Soderberg presented *Hearing Conservation and Oil Spill* on December 13th.

The next safety training is scheduled with MREA presenting Working on URD Lines on January 4, 2023

The current 2022 Safety Cross was reviewed.

The 2023 Safety Meeting Schedule was reviewed.

SCHEDULED MEETINGS

4.1 NRECA Director Online Courses

Online courses offered between January – May 2023 are open for registration.

GRE Regional Meeting, February 9, 2023

Attending: Harold Harms as GRE Director, Aileen DeMenge, Mike Reem, Sarah Cron

4.2 MREA Annual Meeting, RiverCenter, St. Paul, and Online

Tuesday – Wednesday, February 21 – 22, 2023

Attending – Aileen DeMenge, Bruce Robinson, and Sarah Cron

2023 Voting Delegate – Aileen DeMenge; Alternate: Bruce Robinson

4.3 NRECA Annual Meeting, Nashville, TN

March 3 – 8, 2023

Attending: No one will be attending.

2022 Voting Delegate was Harold Harms, Alternate was Bruce Robinson.

4.4 CoBank Regional Meeting Hyatt Regency Hotel, Minneapolis, MN

March 16 – 17, 2023

Attendance will be finalized at the January board meeting.

4.5 Other Meeting Information

Three month look ahead @ MLEC Board meeting NON-Reoccurring Agenda Items:

- January 26th:
 - NRECA Governance Video or Article

- February 23rd:
 - Year End Presentation
 - Annual Report to Board on Policy 517
 - NRECA Governance Video or Article

- March 23rd:
 - NRECA Governance Video or Article

4.6 Board Meeting Dates

Thursday, January 26, 2023

Thursday, February 23, 2023

Thursday, March 23, 2023

M/S/P to approve Thursday, March 23, 2023 as the March Board meeting date.

M/S/P to approve director participation at all scheduled meetings.

4.8 2023 MLEC Annual Meeting

Thursday, May 18, 2023, Minnesota National Golf Course, McGregor, MN

Confidential Discussion Update

CEO Sarah Cron updated the Board on confidential issues.

Executive Meeting

The board met in executive session to review and approve the union contracts.

M/S/P to approve both the Outside Unit and the Inside Unit Union Contracts.

The vote to approve the contracts was opposed by Mike Reem.

The meeting adjourned at 2:30 p.m.

Aileen DeMenge, Secretary/Treasurer

Harold Harms, President