

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 August 16, 2019. All board members were present.

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

All team leaders except Operations Manager William Fillion were present for their reports. The Operations Team was represented by Ann Espeseth, AMR/OMS/DIS Specialist. 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, Barbara Welty, 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 the consent agenda items - Expense vouchers for the period ending August 16, 2019, agenda of the August 16, 2019 regular board meeting and minutes of the July 19, 2019 regular board meeting and Work Order Inventories for the month of June 2019 of \$63,152.22.

The team reports for the month of July 2019 and financial reports for the month ending June 30, 2019 were reviewed and accepted upon motion.

Member Service and Marketing Manager Shelly DeFoe presented information on a New Account Set Up Fee.

M/S/P to begin charging a \$25.00 New Account Setup Fee (a one-time charge that is nonrefundable) on new services, transfers of electric services and reconnects of disconnected services as of January 1, 2020.

Technology and Energy Services Manager Stacy Cluff presented a Broadband Development Grant Resolution for board consideration.

M/S/P to approve Broadband Resolution. Said resolution is attached to these minutes.

Accounting and Finance Manager Carol Kyar presented a resolution allowing Great River Energy (GRE) to act as MLEC's Paying Agent in certain transactions for board consideration.

M/S/P to approve resolution. Said resolution is attached to these minutes.

Carol Kyar presented the Year to Date Financials. To keep MLEC on the 5-year Right-of-Way schedule, MLEC Management Team asked for additional moneys for 2019 Right-of-way program.

M/S/P to spend up to an additional \$155,000 on MLEC's Right of Way program in 2019.

VOTING

2.1 Recommended Write-offs

M/S/P to approve the recommended electric, long distance, and internet, write-offs for this month in the amount of \$4,303.28.

2.2 Policy Review

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

- Policy No. 504 – Meter Testing
- Policy No. 504A – Meter Testing Agreement
- Policy No. 505 – Meter Equipment and Installations
- Policy No. 505A – Meter Installations
- Policy No. 505B – AMI Opt Out
- Policy No. 506 – Motor Policy

2.3 ACTIVITY REPORTS

- GRE – June 2019 GRE Financial Highlights as submitted by Harold Harms were reviewed.
- MREA – July 2019 MREA newsletter was reviewed.
- RUS – Nothing
- CFC – 2019 CFC Annual Meeting Notice and director candidate information was reviewed. Annual meeting will be held September 11, 2019.
- NRECA – Nothing
- MAC – Nothing
- FEDERATED – delegate paperwork was reviewed. Annual Meeting will be September 11, 2019.
- NRTC – Nothing
- RESCO – Annual Meeting September 11, 5:00 – 6:00
- NISC – Nothing
- Other –
- CoBank – Director candidate information was reviewed.

M/S/P to accept the activity reports.

REPORTS

3.1 Loss Control

Deanna Soderberg presented ***Dog Bits, Bugs, Poisonous Plants and Heat*** on July 23rd.

The next safety meeting will be on September 26th with MREA presenting ***Bucket Truck Safety and Inspections***.

The monthly Safety Cross was reviewed.

Recommendation from the Board to rename this report to “Safety Control”.

3.2 Semi-Annual Rate Comparison

As part of the Board Self-Evaluation follow-up, a semi-annual update on rate comparisons was presented.

SCHEDULED MEETINGS

4.1 NRECA Regions 5 & 6 Meeting, September 10 – 12, 2019 Milwaukee, WI

Tuesday - Thursday

Attending: Harold Harms and Sarah Cron

2019 NRECA Voting Delegate – Harold Harms Alternate – Sarah Cron

- CFC – 2019 CFC Annual Meeting Notice and director candidate information was reviewed.

M/S/P to appoint Harold Harms as Voting Delegate for CFC’s Annual meeting to be held September 11, 2019, and Sarah Cron as Alternate.

- FEDERATED – delegate paperwork was reviewed.
Annual Meeting, September 11, 5:00
M/S/P to appoint Harold Harms as Voting delegate for Federated, and Sarah Cron as Alternate.

4.2 Other Meeting Information

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

- September 20th:
 - Board Per Diem
 - Cold Weather Rule Appels Committee
 - Budget Parameters for 2020
 - NRECA Board Governance Video – Pros and Cons of Peer Director Assessment
- October 18th:
 - Possible System Tour
 - MLEC 990 Review
 - Unclaimed Property
 - Annual Technology Plan Update
- November 15th:
 - 2019 Proposed General Retirement Calculation
 - Annual Approval of any Rate Changes known as of 1/1/20

Remaining MREA 2018 Board Meeting Dates:

- Tuesday/Wednesday = August 20 – 21
- Tuesday/Wednesday = October 15 - 16
- Tuesday/Wednesday = December 17 - 18

NOTE: If anyone is interested in attending a MREA Board meeting, please let Deb Chute and Director Barb Welty know so arrangements can be made.

4.3 Board Meeting Dates

- Friday, September 20, 2019
- Friday, October 18, 2019
- Friday, November 15, 2019

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

M/S/P to approve Friday, November 15, 2019 Board meeting date.

Meeting recessed for lunch at 12:00 noon and reconvened at 12:45 p.m.

Confidential Discussion/Update

Sarah Cron updated the board on confidential issues.

The Board watched and discussed an NRECA Board Governance video titled "Setting Directors Compensation".

The Board met in Executive Session.

Meeting adjourned at 2:10 p.m.

Barb Welty, Secretary/Treasurer

Harold Harms, President