

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 October 18, 2019. All board members were present.

President Harold Harms called the meeting to order at 8:30 a.m.

All team leaders were present. Executive Assistant Debra Chute was also present. New employees Adam Turner and Johnston Westmoreland, Tree Trimmer/ROW Workers, were introduced. 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 consent agenda items expense vouchers for the period ending October 18, 2019, agenda of the October 18, 2019 regular board meeting, minutes of the September 20, 2019 regular board meeting and work orders for August 19 of \$137,555.59.

The team reports for the month of September 2019 and financial reports for the month ending August 31, 2019 were reviewed and accepted upon motion.

Discussion was held on terminating MLEC's long distance telephone services. Accounting and Finance Manager Carol Kyar presented a resolution authorizing MLEC to take the steps necessary to terminate its long-distance service and to authorize Shelly DeFoe and any other appropriate staff member to execute any documents to carry out this resolution. M/S/P to approve resolution. Said resolution is attached to these minutes.

#### Unclaimed Property

At the December 2010 board meeting it was decided that the unclaimed property amount would be divided equally between the six area school districts each year. At the October 2015 board meeting it was decided to add Isle Public Schools to the list dividing the amount equally among the seven area school districts. \$17,250.64 will be distributed in 2019.

A history of the donations was provided. Four options for paying out the funds were presented by Carol Kyar, Accounting and Finance Manager.

M/S/P to approve Option Three – Unclaimed Property Payable to Schools by Board Census.

Meeting recessed at 9:30 a.m.

MLEC Directors and management team boarded a bus for the MLEC System Tour. Stops included Stern Rubber and Mille Lacs Wild Rice. The tour ended at 2:00 p.m.

Meeting reconvened at 2:00 p.m.

### MLEC 990 Review

As part of the board's due diligence, the 990 Tax Report was reviewed prior to filing.

### VOTING

#### 2.1 Monthly Recommended Write-Offs

M/S/P to approve the recommended electric, long distance, and internet, write-offs for this month in the amount of \$3,309.73.

#### 2.2 Policy Review

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

- Policy No. 510 – Work on Member's Property
- Policy No. 511 – Requests for Relocation of Facilities
- Policy No. 511A – System Improvement Allocation Procedures
- Policy No. 511B – NESC Clearance Violations
- Policy No. 512 – Continuity of Service

#### 2.3 Activity Reports

- GRE – Harold presented the September GRE Board Report and the July Financial Highlights.  
Discussion was held on MLEC's guest director to attend GRE's board meeting in March 2020. No final decision was made on who will be attending.
- MREA – September 2019 MREA Report was reviewed.
- RUS – No report.
- CFC – 2019 Patronage Capital Allocation information was reviewed.
- NRECA – 2019 NRECA Region Meeting report submitted by Harold Harms was reviewed.
- MAC – No report.
- FEDERATED – No report.
- NRTC – No report.
- RESCO – No report.
- NISC – No report.
- OTHER –

M/S/P to accept the activity reports.

### REPORTS

#### 3.1 Safety Control

MREA presented *Bucket Truck Safety and Inspections* on September 26<sup>th</sup>.

Deanna Soderberg presented *Accident Investigation* on October 8<sup>th</sup>.

The next safety meeting is scheduled for November 1<sup>st</sup> with Deanna presenting *Spill Clean Up and Hearing Protection Public*.

The 2019 Safety Cross were reviewed.

### 3.2 Cold Weather Rule Appeals Committee Update

Committee members were contacted by MLEC's directors. They are all able to serve on the committee. The Committee is in place.

### 3.3 Quarterly Articles/By-Laws Review

As part of the quarterly update, the Articles of Incorporation and By-Laws were reviewed.

## SCHEDULED MEETINGS

### 4.1 MREA Legislative Summit, Maple Grove, Friday November 22, 2019

Attending: Barb Welty

### 4.2 CFC Statewide Workshop, Minneapolis, Tuesday – Wednesday December 3-4, 2019

Attending – Don Appel, Mike Reem and Bruce Robinson

### 4.3 NRECA Director's School, Nashville, TN, Friday – Wednesday, December 13 – 18, 2019

Attending: No one

### 4.4 MREA Washington DC Legislative Visit

January 27 - 29, 2020, Monday – Wednesday

Attending: No one

### 4.5 NRECA Annual Meeting, New Orleans, LA

February 27 – March 5, 2020

Attending: No decision made at this time

### 4.6 MREA Annual Meeting, St. Paul, MN

March 16 – 17, 2020, Monday - Tuesday

Attending: All directors and Sarah

### 4.7 CoBank Regional Meeting, JW Marriott Mall of America, Minneapolis, MN

March 23 – 24, 2020, Monday - Tuesday

Attending: All directors

### 4.8 Other Information:

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

- November 14th:
  - 2019 Proposed General Retirement Calculation
  - Annual Approval of any Rate Changes known as of 1/1/20

- NRECA Governance Videos – Building a Relationship Between the Board and the CEO; Fiduciary Duties of the Director; Pros and Cons of Peer Director Assessment
- December 20<sup>th</sup>:
  - 2020 Budget Presentation
  - Annual Technology Plan Update
  - Mille Lacs Community Trust Update
- January 17<sup>th</sup>:
  - Nothing at this time

Remaining MREA 2019 Board Meeting Dates:

- 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.

4.9 Board Meeting Dates

- Thursday, November 14, 2019
- Friday, December 20, 2019
- Friday, January 17, 2020

M/S/P to approve Friday, January 17, 2020 Board meeting date.

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

Meeting adjourned at 3:00 p.m.

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Barbara G. Welty, Secretary/Treasurer

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Harold Harms, President