

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 20, 2019. All board members except Don Appel were present.

President Harold Harms called the meeting to order at 9:00 a.m.

All team leaders were present. Also, in attendance were MLEC Accounting/Finance Team members Tom Meyer, Gina McKanna and Chelsey Fischer, Executive Assistant Debra Chute and Consultant Lauren Brorby. Everyone joined in the Pledge of Allegiance.

These minutes being transcribed by or under the direction of Secretary/Treasurer, Barb 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 December 20, 2019, agenda for the December 20, 2019 regular board meeting, minutes of the November 14, 2019 regular board meeting and minutes of the special December 6, 2019 board meeting.

The team reports for the month of November and financial reports for the month ending October 31, 2019 were reviewed and accepted upon motion. The 2020 Annual Technology Plan was presented by Technology and Energy Services Manager Stacy Cluff and accepted upon motion. NRECA RC3 Cybersecurity assessment tool was presented. Application for RC3 Online Cybersecurity Self-Assessment License Program was approved upon motion.

MLEC Revolving Loan Fund Program

A 1 % servicing fee based on the outstanding principal loan balance can be collected on MLEC's Revolving Loan Fund accounts. The fee collected may be retained by MLEC to cover expenses associated with the Revolving Loan Fund Program, or it may be put into the RLF account to be used for futures loans.

M/S/P to put the 1% servicing fee payment into the Revolving Loan Fund to be used for future loans.

PROPOSED 2020 BUDGET

The Management Team, led by Consultant Lauren Brorby and Accounting Supervisor Tom Meyer, presented the recommended 2020 budget.

Meeting recessed for lunch at 12:45 p.m. and reconvened at 1:45 p.m.

VOTING

2.1 Vote on 2020 Budget

M/S/P to approve the 2020 Proposed Budget as submitted by Management Team.

2.2 Recommended Write-offs

M/S/P to approve the recommended electric, long distance, and internet, write-offs for this month in the amount of \$3,335.44.

2.3 Board Activity Reports

GRE – Harold presented the November 2019 GRE report.

MREA – MREA November 2019 newsletter was reviewed.

RUS – No report.

CFC – No Report

NRECA – 2020 Delegate for NRECA Annual and Regional Meetings will be discussed at the January Board meeting.

MAC – No report.

FEDERATED – a check in the amount of \$2,097 which represents 15% of 2010 member equity account balances was received from Federated Rural Electric Insurance Exchange.

NRTC – NRTC 2020 Voting Delegate paperwork is attached.

Tim Mergen, NRTC District 6 Director is up for re-election.

RESCO – No report.

NISC – No report.

OTHER – CoBank – 2019 Director Election Results for the Mid-Plains Region are reviewed. Michael Marley was elected in a run-off election for a four-year term.

M/S/P to accept the activity reports.

2.4 2020 Estate and Write-Offs Capital Credit Discount Rate

M/S/P that 4.7% be used for the discount rate for the next three years. The Board will review the capital credit discount rate after three years.

2.5 2020 Banking

M/S/P to approve no banking changes be made at this time for 2020.

2.6 Mille Lacs Community Trust Update

M/S/P to approve the appointment of Lisa Anderson for District 1 and Carol Pundt for District 2 to Mille Lacs Community Trust Board of Directors as recommended by the Trust Board of Directors.

2.7 Policy Review

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

- Policy 501 – Membership and/or Electric Service

## REPORTS

### 3.1 Safety Control

MREA presented *Regulators and Controls* on December 18th.  
Cuyuna Range Medical Center trained all employees in CPR, AED and First Aid on December 3<sup>rd</sup> and 5<sup>th</sup>.

The current 2019 Safety Cross were reviewed.

## SCHEDULED MEETINGS

### 4.1 McGregor Chamber of Commerce Annual Meeting, McGregor,

Monday, January 13, 2020

Attending: Aileen DeMenge and Bruce Robinson

### 4.2 Aitkin Chamber of Commerce Annual Meeting, Aitkin

Friday, January 24, 2020

Attending: Bruce Robinson, Don Appel and Sarah Cron

### 4.3 GRE Region Meeting, Hinckley

Tuesday – Wednesday, February 11 – 12, 2020

Attending: Don Appel, Bill Bernard, Mike Reem, Bruce Robinson, Barb Welty and Sarah Cron.

Harold Harms will be attending as GRE Director.

### 4.4 GRE Monthly Board Meeting, Maple Grove

Wednesday – Thursday, March 11 – 12, 2020

Attending: Bill Bernard

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

March 16 – 18, 2020

Attending: All directors and Sarah Cron

2020 Voting Delegate is Harold Harms, with Don Appel as the first alternate.

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

March 23 – 24, 2020, Monday – Tuesday

Attending: All directors and Sarah

### 4.7 Other Meeting Information

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

- January 17<sup>th</sup>:
  - Nothing at this time
  - NRECA Governance Videos

Regular Board Meeting Minutes  
December 20, 2019

- February 21<sup>st</sup>:
  - Year End Presentation
  - Annual Report to Board on Policy 517
  - NRECA Governance Videos
  
- March 19<sup>th</sup>:
  - Annual Audit Report
  - Internal Control Evaluation Report

4.8 Board Meeting Dates

Friday, January 17, 2020  
Friday, February 21, 2020  
Thursday, March 19, 2020

M/S/P to approve Thursday, March 19, 2020 as the March Board meeting date.

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

Confidential Discussion Update

CEO Sarah Cron updated the Board on confidential issues.

M/S/P to approve resolution in favor of Energy Storage System Pilot Project.  
Said resolution is attached to these minutes.

M/S/P to ratify the tentative 2020 Union Contract between MLEC and the IBEW Local 31/MLEC Inside Bargaining Unit contingent on union employees vote to accept the same contract.  
Motion passed unanimously.

Meeting adjourned at 3:15 p.m.

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Barb Welty, Secretary/Treasurer

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Harold Harms, President