

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 November 14, 2019. All board members were present.

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

All team leaders were present. Accounting Supervisor Tom Meyer representing the Accounting and Finance Team and Executive Assistant Debra Chute were 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 consent agenda items expense vouchers for the period ending November 14, 2019, agenda for the November 14, 2019 regular board meeting, minutes of the October 18, 2019 regular board meeting and work orders for September 19 of \$103,883.48.

The team reports for the month of October and financial report for the month ending September 30, 2019 were reviewed and accepted upon motion.

Banking Authorization Resolution Changes

Resolutions were presented to remove Carol L Kyar from our financial accounts and add William Fillion and/or Thomas Meyer.

M/S/P on said resolutions. Resolutions are attached to these minutes.

CoBank

CFC

RUS

Deerwood Bank – Lock Box Account

Neighborhood National Bank –

General Fund Account

Capital Credit Account

Flex Spending Account

E-Bill Account

Billing Direct Deposit Account

Safety Deposit Box

Security State Bank – Construction Account

Woodland National Bank (Onamia) – General Account (linemen use this to deposit cash collected in Onamia area)

2019 Proposed General Retirement Calculation

Management recommended retiring capital credits in the amount of \$966,117.00 to be applied to the bills of active members or by check in December.

M/S/P to retire capital credits as recommended by the Management Team.

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.

Discussion was held on this topic with the decision to table until the December Board Meeting.

VOTING

2.1 Recommended Write-offs

M/S/P to approve the recommended electric, long distance, internet and other accounts receivable write-offs for this month in the amount of \$5,914.95.

2.2 Policy Review

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

- Policy No. 501– Application for Membership and/or Electric Service
- Policy No. 513 – Moving of Structures
- Policy No. 514 – Reconnect Charges – Temporary Disconnects
- Policy No. 515 – Cooperative's Right to Disconnect Service

2.3 Board Activity Reports

GRE – Harold presented the October 2019 GRE Board Report.

GRE Patronage Capital Retirement Forecast for 2020 was reviewed.

MREA – MREA October 2019 Board Report was reviewed.

MREA October 2019 Board of Directors Informal Summary was reviewed.

RUS – No report.

CFC – CFC October 2019 Report from the Boardroom was reviewed.

Information regarding CFC's One Card Program was reviewed. On purchases MLEC made from September 1, 2018 to August 31, 2019, we earned a cash rebate of \$959.63.

NRECA – No report

MAC – No report.

FEDERATED – No report.

NRTC – No report.

RESCO – No report.

NISC – No report.

OTHER –

USDA Community Connect Grant Program letter was reviewed.

M/S/P to accept the activity reports.

REPORTS

3.1 Safety Control

Deanna Soderberg presented Spill Clean Up and Hearing Protection on November 1st.
The next safety meeting is scheduled for December 18th with MREA presenting
Regulators and Controls.

SCHEDULED MEETINGS

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

Attending: No one

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

Attending – Don Appel, Mike Reem and Bruce Robinson

4.3 NRECA Annual Meeting, New Orleans, LA

February 27 – March 5, 2020

Attending: No one

4.4 GRE Monthly Board Meeting, March 11 – 12, 2020

Wednesday - Thursday

Attending: Bill Bernard

4.5 MREA Annual Meeting, St. Paul, MN

March 16 – 17, 2020, Monday - Tuesday

Attending: All directors and Sarah Cron

2019 Voting Delegate was Harold Harms, Don Appel was 2019 Alternate.

M/S/P to appoint Harold Harms as MREA 2020 Voting Delegate with Don Appel as
Alternate.

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

March 23 – 24, 2020, Monday - Tuesday

Attending: All directors and Sarah Cron

4.7 Other Information:

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

- December 20th:
 - 2020 Budget Presentation
 - Annual Technology Plan Update
 - Mille Lacs Community Trust Update
- January 17th:
 - Nothing at this time
 - NRECA Governance Videos

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- February 21st:
 - Year End Presentation
 - Annual Report to Board on Policy 517
 - NRECA Governance Videos

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.

4.8 Board Meeting Dates

- Friday, December 20, 2019
- Friday, January 17, 2020
- Friday, February 21, 2020

M/S/P to approve Friday, February 21, 2020 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.

Regular Board Meeting adjourned at 12:25 p.m.

Barbara Welty, Secretary/Treasurer

Harold Harms, President