

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 July 19, 2019. All board members were present.

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

All team leaders except Shelly DeFoe and Stacy Cluff, managers of Member Service & Marketing and Technology & Energy Services, were present for their reports. 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 July 19, 2019, agenda of the July 19, 2019 regular board meeting, minutes of the June 21, 2019 regular board meeting and Work Order for the month of May 2019 of \$30,044.52.

The team reports for the month of June 2019 and financial reports for the month ending May 31, 2019 were reviewed and accepted upon motion. Tom Meyer, MLEC Accountant, gave an update on KRTA 112.

The Board and Management Team watched and discussed an NRECA Board Governance video titled "Finding the Right Level of Transparency".

## **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 \$6,894.52.

### **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. 502 – Line Extensions and Service Rebuilds
- Policy No. 503 – Underground/Overhead Primary Line Installations

### **2.3 ACTIVITY REPORTS**

GRE – The June 2019 GRE Board Report and the May 2018 Financial Highlights submitted by Harold were reviewed.

MREA – A verbal report of MREA District meeting was given by directors who attended.

MREA Legal Conference report submitted by Heinrich Brucker was reviewed.

RUS – None

CFC – Director Candidate Jenny Scharmer biography was reviewed.

NRECA – None

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MAC – None

FEDERATED – None

NRTC – None

RESCO – 2018 RESCO Patronage update was reviewed. MLEC received checks in the amount of \$15,983.00.

NISC – None

M/S/P to accept the activity reports.

## REPORTS

### 3.1 Loss Control

The next safety meeting is scheduled for July 23rd with Deanna Soderberg presenting ***Dog Bites, Bugs, Poisonous Plants and Heat.***

The monthly Accident and Mileage Report was reviewed. Also reviewed was the 2019 Safety Cross.

### 3.2 Quarterly Articles/By-laws Review

The quarterly update included the final third of the By-Laws.

## SCHEDULED MEETINGS

### 4.1 **MREA Pre-EIS Workshop**, July 30, 2019, Tuesday, St. Cloud

Harold Harms is attending Board Chair Round Table.

Tuesday, July 30, 2019

Barb Welty and Sarah Cron are attending NRECA Assessing Governance.

**MREA Energy Issues Summit**, July 30 – August 1, 2019, Best Western Plus Kelly Inn and River's Edge Convention Center, St. Cloud

Wednesday & Thursday

Attending: All directors and CEO Sarah Cron.

### 4.2 **NRECA Regions 5 & 6 Meeting**, September 10 – 12, 2019, Milwaukee, WI

Tuesday – Thursday

Attending is Director Harold Harms and Sarah Cron.

Voting Delegate – Harold Harms

Alternate – Sarah Cron

### 4.3 **Other Meeting Information**

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

- Friday, August 16<sup>th</sup>:
  - Board per Diems
  - NRECA Board Governance Videos – Setting the Directors Compensation; Building a Relationship Between the Board and the CEO; and The Fiduciary Duties of the Director
- Friday, September 20<sup>th</sup>:
  - Cold Weather Rule Appeals Committee

Regular Board Meeting Minutes

July 19, 2019

- Budget Parameters for 2020
- NRECA Board Governance Video – Pros and Cons of Peer Director Assessment
- Friday, October 18<sup>th</sup>:
  - MLEC 990 Review
  - Unclaimed Property
  - Annual Technology Plan Update

Remaining MREA 2019 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.

4.4 **Board Meeting Dates**

- Friday, August 16, 2019
- Friday, September 20, 2019
- Friday, October 18, 2019

M/S/P to approve Friday, October 19, 2019 Board meeting date.

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

M/S/P to set 2020 Annual Meeting date on Thursday, April 23, 2020 in Aitkin.

Confidential Discussion/Update

Sarah updated the Board on confidential issues.

M/S/P to go to a 457 program for retirement.

M/S/P to go to a Safe Harbor 401K Retirement plan for MLEC Employees.

M/S/P to increase the salary of CEO Sarah Cron.

The regular Board Meeting adjourned at 12:40 p.m.

Board met in Executive Session at 12:40 p.m. Executive Session adjourned at 12:50 p.m.

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Barbara G. Welty, Secretary/Treasurer

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Harold Harms, President