



Your Touchstone Energy® Cooperative 

**DAKOTA ELECTRIC ASSOCIATION®
BOARD OF DIRECTORS VIRTUAL MEETING
MINUTES OF JANUARY 28, 2021**

Dakota Electric Association Board Members in Attendance:

District 1

John DeYoe
David Jones
Jerry Pittman

District 2

Bill Middlecamp
Jim Sheldon
Clay Van De Bogart

District 3

Ken Danner
Bill Holton
Margaret Schreiner

District 4

Paul Bakken
Judy Kimmes
Stacy Miller



Staff and Others in Attendance:

Melissa Cherney
Mike Fosse
Corey Hintz
Betty Jo Kiesow

Doug Larson
Sara McGrane
Dan Lipschultz

Greg Miller
Joe Miller
Mjyke Nelson

Todd Rapp
Jeff Schoenecker
Eric Swanson

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- Convene** The regular virtual meeting of the board of directors of Dakota Electric Association convened via video conference.
- Call to Order** Chair Jerry Pittman called the regular virtual meeting to order at 8:30 a.m. and presided.
- Executive Session**  **A motion was made, seconded and carried unanimously to move into Executive Session.**
- An update was provided regarding the CEO Performance Appraisal process. The board of directors and Attorney Sara McGrane were in attendance.
-  **A motion was made, seconded and carried unanimously to move out of Executive Session 9:27 a.m.**
- Additions or Changes to the Agenda** Staff joined and the meeting continued with the Pledge of Allegiance. A quorum was present.
- Chair Pittman requested additions or changes to the Agenda. There were no additions or changes to the agenda.

Agenda Adoption	<p>✓ A motion was made, seconded and carried unanimously to adopt the agenda.</p>
Visiting Member Comments	<p>No visiting members in attendance.</p>
Approval of the Consent Agenda	<p>Chair Pittman requested additions or changes to the Consent Agenda. Vice Chair Paul Bakken requested the addition of the following to the Consent Agenda:</p> <ul style="list-style-type: none">• Approval of the final CEO Performance Appraisal.• Adoption of the CEO 2021 Goals. <p>✓ A motion was made, seconded and carried unanimously to approve the Consent agenda with the noted additions.</p> <ul style="list-style-type: none">■ Minutes of January 11, 2021 Special Board Meeting■ Minutes of December 17, 2020 Board Meeting■ Attorney’s Monthly Fees – Resolution 21-1-1■ Attorney’s Monthly Fees■ Recognition of Retiring Employee – Mark Andersen – Resolution 21-1-2■ Recognition of Retiring Employee – Martin Brichta – Resolution 21-1-3■ Recognition of Retiring Employee – Jeff Wilaby – Resolution 21-1-4■ Recognition of Retiring Employee – Keith Hubbard – Resolution 21-1-5■ Recognition of Retiring Employee – Dan Jensen – Resolution 21-1-6■ Recognition of Retiring Employee – Randy Ratzlaff – Resolution 21-1-7
Board Chair Update	<p>Chair Pittman provided an update regarding various events and activities during the month of January.</p>
President & CEO Report/ Strategic Planning Update	<p>CEO Miller noted the written report and referred to the Senior Management Team for review of assigned departments.</p> <p>Vice President of Financial Services and CFO Corey Hintz provided an update regarding delinquent accounts. CFO Hintz highlighted the continued trend showing unemployment rates are decreasing, however greater than 60 day balances are still increasing due to no incentive to pay and the hold on disconnects.</p>

CFO Hintz provided an update to the Paycheck Protection Program loan application consideration. Staff recommend a hold on moving forward with the application this month and will follow-up in February.

Vice President of Member and Energy Services Mike Fosse reported the department's current COVID-19 impact. Vice President Fosse then provided a review of new development projects and updates on active development projects within the Dakota Electric Association service area. He also noted six active AGi meter changeouts whose completion will be pushed to spring due to issues from member related access barriers.

Vice President of Information Services and CIO Mjyke Nelson provided an update regarding cybersecurity issues and resolutions. CIO Nelson then addressed recent concerns regarding national threats against infrastructure including electrical grids and Dakota Electric is heeding all warnings.

Recess The Board recessed from 10:26 a.m. until 10:31 a.m. to break for the Regulation Panel Discussion and inclusion of scheduled guests.

Regulation Panel Discussion Vice President of Regulatory Services Doug Larson introduced a panel of guests that included Todd Rapp, President and CEO of Rapp Strategies; Dan Lipschultz, Consultant and former Commissioner and Vice-Chair of the Minnesota Public Utilities Commission; Eric Swanson, Energy Legislative and Regulatory Attorney and Shareholder with Winthrop & Weinstine.

The panel discussed specific topics related to varying levels of regulation and took questions from Directors.

Recess The Board recessed from 11:54 a.m. until 12:25 p.m.

President & CEO Report/ Strategic Planning Update Continued Vice President Larson provided a regulatory update and reviewed the monthly filings related to COVID-19 and quarterly compliance filings. Vice President Larson noted recent Minnesota Public Utilities Commission discussions related to the availability of online electric distribution grid data which Dakota Electric Association strongly opposes. Vice President Larson also highlighted a recent call with CEO Miller and Representative Pat Garofalo. Representative Garofalo has interest in our AGi project and sought additional information.

CFO Hintz shared Dakota Electric Association received another Great River Energy COVID-19 relief payment in December totaling \$1.5 million in 2020. That will continue to be used to offset COVID-19 expenses. CFO Hintz stated that Dakota Electric Association has waived a total of \$705,646 in residential and commercial late fees since April 2020, noting 16,962 member accounts had a waived late fee in December representing 16 percent of total member accounts.

Vice President of Utility Services Jeff Schoenecker reported a break-in at the Fischer Substation on December 25, noting no vandalism other than a cut fence and broken lock. Dakota Electric Association has repaired the damages and added additional lighting to deter any future instances. Vice President Schoenecker then reviewed two major outages in 2020 and discussed causes, resolutions and plans to mitigate any contributing issues to limit future outages.

Vice President of Engineering Services Betty Jo Kiesow provided a review of solar installations noting 136 connections to solar in 2020 which was a 41 percent increase from 2019. Vice President Kiesow stated Dakota Electric Association has received several applications for solar already in 2021 and the tax credit is still available. Vice President Kiesow then discussed changes in demographics in Minnesota and Dakota County noting data supporting a labor force shortage and slowed labor growth due to an aging population and migration. Dakota Electric Association is launching a more formal diversity effort to align with these changing demographics.

CEO Miller concluded with updates regarding the net-zero energy project and Prairie Island Indian Community, COVID-19 vaccinations and the ECO bill.

AGi Update

CIO Nelson reviewed the AGi budget and timeline noting that the project is still under budget due to decreased consultant costs. CIO Nelson noted member calls slightly increased mostly due to reschedules. Dakota Electric Association continued to connect with members who had opted out which resulted in 12 members agreeing to now opt in. CIO Nelson also noted supply issues may again be of concern. Anixter was notified that a supply chain has been affected due to COVID-19 for an LCR component. Currently have a two month supply and will continue to monitor the situation.

Great River Energy

Director Clay Van De Bogart and Director Margaret Schreiner provided a Great River Energy update and referred the board to the Great River Energy written reports.

Director Schreiner provided an update regarding Coal Creek Station and reviewed resolutions related to Spiritwood Station and the actions needed for Great River Energy to enter into a credit agreement with CoBank. Director Van De Bogart spoke to low performing 4th quarter financials and it was noted Great River Energy's Regional Meeting will be held virtually on February 10 for those interested in attending.

Bill Comparison Update

Vice President Larson presented an annual bill comparison regarding Dakota Electric Association's competitive rate position, noting continued lower average residential charges comparable to Xcel Energy.

- Election Committee Report** Committee Chair Bill Middlecamp provided an update noting the Nominating Committee selected to move forward with all 11 director candidates on the ballot for 2021 when they convened for board candidate interviews and deliberation on Tuesday, January 26, 2021. Attorney Sara McGrane also noted that current information provided to the Nominating Committee does not specifically state non-discriminatory language related to equal opportunity in coordination with Dakota Electric Association policies and bylaws. This will be provided to the committee beginning with the 2022 election cycle.
- Minnesota Rural Electric Association Update** Director Stacy Miller provided a Minnesota Rural Electric Association update. Director Miller reported the Resolutions Committee met in January and advanced a modified version of the Diversity Equity and Inclusion Resolution proposed by Dakota Electric Association. Director Miller also noted that the Member-Centric Business Model Resolution did not move forward, however the committee agreed with the proposed deletion of the resolution regarding opposing the Clean Power Plan and a portion of the language was combined with another resolution.
- Attorney Update** Attorney Sara McGrane provided a legal update noting work on lease documents for properties in Hastings and Lakeville. Attorney McGrane also noted discussions with staff regarding COVID-19 vaccination mandates and election procedures.
- 2021 Annual Meeting** ✓ **A motion was made, seconded and carried unanimously to cancel the Dakota Electric Annual meeting in 2021 due to COVID-19 safety concerns.**
- Adjournment** ✓ **A motion was made, seconded and carried unanimously to adjourn at 2:51 p.m.**

Melissa Cherney, Recorder

Gerald Pittman, Chair

Kenneth Danner, Secretary