



Your Touchstone Energy® Cooperative 

**DAKOTA ELECTRIC ASSOCIATION®
BOARD OF DIRECTORS VIRTUAL MEETING
MINUTES OF MARCH 25, 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
Kellen Garrison
Carla Henke

Corey Hintz
Betty Jo Kiesow
Doug Larson
Derrick Larson

Sara McGrane
Greg Miller
Joe Miller
Mjyke Nelson

Jeff Schoenecker
Craig Turner
Don Vasatka

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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.**
- Discussion and review of the 2020 audited financials. The board of directors, Attorney Sara McGrane and Eide Bailly audit representatives Derrick Larson and Kellen Garrison were in attendance.
- ✓ **A motion was made, seconded and carried unanimously to move out of Executive Session at 8:56 a.m.**
- Additions or Changes to the Agenda** Staff and guests 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 none.

Agenda Adoption	<p>✓ A motion was made, seconded and carried unanimously to adopt the agenda.</p>
Visiting Member Comments	<p>Member Don Vasatka was in attendance. No comments.</p>
Audit Report	<p>Eide Bailly representatives Derrick Larson and Kellen Garrison presented the 2020 audited financials and communication. The results reflect a clean audit report for Dakota Electric Association.</p> <p>✓ A motion was made, seconded and carried unanimously to approve the Audit Report – Resolution 21-3-1.</p>
Approval of the Consent Agenda	<p>Chair Pittman requested additions or changes to the Consent Agenda. There were none.</p> <p>✓ A motion was made, seconded and carried unanimously to approve the Consent agenda.</p> <ul style="list-style-type: none">■ Minutes of February 25, 2021 Board Meeting.■ Attorney’s Monthly Fees – Resolution 21-3-2.■ Attorney’s Monthly Fees.■ Recognition of Retiring Employee – Dennis Gregor – Resolution 21-3-3.■ Recognition of Retiring Employee – Greg Klotz – Resolution 21-3-4.
Board Chair Update	<p>Chair Pittman provided an update regarding various events and activities during the month of March.</p>
SRSQ Update and Standards Approval	<p>Director of Engineering Services Craig Turner presented the 2020 Safety, Reliability and Service Quality report (SRSQ).</p> <p>✓ A motion was made, seconded and carried unanimously to approve the SRSQ Standards for 2021 – Resolution 21-3-5.</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 Regulatory Services Doug Larson stated Minnesota Public Utilities Commission (MPUC) will require utilities to submit transition plans to address next steps following the March 2020 docket that suspended disconnects. Dakota Electric will submit a transition plan to MPUC by April 1 that will include possible fees, payment options, timeline of disconnects and communication to members.</p>

**President & CEO
Report/ Strategic
Planning Update
Continued**

Vice President of Financial Services and CFO Corey Hintz provided an update regarding delinquent accounts noting there was a 2.9 percent decrease in total delinquent accounts from the previous month. However, the average delinquent balance increased 6.3 percent. CFO Hintz highlighted the greater than 60 day balances are still increasing due to no incentive to pay and the hold on disconnects. Dakota Electric has waived a total of \$911,324 in late fees since the beginning of April 2020.

Vice President of Utility Services Jeff Schoenecker provided an update on the five-year tree trimming initiative noting it is going very well and the number of open current tickets has decreased significantly. Vice President Schoenecker also highlighted that Dakota Electric's reliability in February ranked the highest it has been in five years with only eleven unplanned instances.

Vice President of Engineering Services Betty Jo Kiesow provided an updated regarding supply delays for the 750 MCM Cable from General Cable due to the weather event in Texas. Purchasing was able to find alternative suppliers to procure the required cable to meet demand for planned projects. This will result in slightly higher costs but will ensure projects proceed on schedule.

Vice President of Information Services and CIO Mjyke Nelson provided an update regarding the resource planning project noting the contract with Eide Bailly is being finalized. They will be looking at products this year with planned implementation in 2022. CIO Nelson then provided a cybersecurity update noting a phishing event that impacted Dakota Electric. However, artificial intelligence software approved and installed this year stopped this event by notifying staff that were able to catch the event and act within seconds with no damage or data accessed.

CEO Miller concluded with a safety update noting zero recordable injuries in 2021 and discussed future strategic planning.

Recess

The Board recessed from 11:07 a.m. until 11:17 a.m.

AGi Update

CIO Nelson reviewed the AGi budget and timeline noting that the project is still under budget due to decreased consultant costs and anticipating the project will remain under budget in the future. CIO Nelson noted member calls decreased and the low member opt out rate has stayed consistent.

**Arrearage
Forgiveness
Program**

Vice President Larson lead discussions regarding a possible arrearage forgiveness program to handle pandemic related delinquency noting most utilities will have one. Disconnects will eventually resume in accordance with the Dakota Electric transition plan and Dakota Electric will work with members by any means possible to resolve any outstanding account delinquencies prior to entering into arrearage forgiveness.

- ✓ **A motion was made, seconded and carried by an 11-1 majority to approve moving forward with arrearage forgiveness planning with a \$1 million program cap.**

Recess The board recessed from 12:25 p.m. until 12:55 p.m.

Great River Energy Directors Clay Van De Bogart and Margaret Schreiner provided a Great River Energy (GRE) update including recent Coal Creek developments. Director Schreiner noted the 2020 audit and financial statements were approved and highlighted the positive response to the recent polar vortex. Director Van De Bogart noted GRE is in the process of reviewing employee work from home opportunities post pandemic and strategic planning is scheduled for July 2021.

Minnesota Rural Electric Association Update Director Stacy Miller provided a Minnesota Rural Electric Association update noting they held their annual meeting on March 2. Director Miller relayed that MREA will be looking to make all education courses available online in the future. Director Miller also shared her participation in a solar energy symposium.

Attorney Update Attorney Sara McGrane provided a legal update noting work on policy updates, items related to the Fair Labor Standards Act and election questions.

Executive Session ✓ **A motion was made, seconded and carried unanimously to move into Executive Session.**

A key account update was provided. The board of directors, Attorney Sara McGrane, Mike Fosse, Doug Larson and Greg Miller were in attendance.

Adjournment ✓ **A motion was made, seconded and carried unanimously to adjourn at 2:26 p.m.**

Melissa Cherney, Recorder

Gerald Pittman, Chair

Kenneth Danner, Secretary