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**DAKOTA ELECTRIC ASSOCIATION®  
BOARD OF DIRECTORS VIRTUAL MEETING  
MINUTES OF APRIL 29, 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

Greg Miller  
Joe Miller  
Mjyke Nelson

Jeff Schoenecker

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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.**

Annual board compensation review and discussion.

✓ **A motion was made, seconded and carried unanimously to move out of Executive Session at 9:02 a.m.**

Staff and guests joined, and the meeting continued with the Pledge of Allegiance. A quorum was present.

**Additions or  
Changes to the  
Agenda**

Chair Pittman requested additions or changes to the Agenda. There were none.

<b>Agenda Adoption</b>	<p>✓ <b>A motion was made, seconded and carried unanimously to adopt the agenda.</b></p>
<b>Visiting Member Comments</b>	<p>No visiting members were present.</p>
<b>Approval of the Consent Agenda</b>	<p>Chair Pittman requested additions or changes to the Consent Agenda. There were none.</p> <p>✓ <b>A motion was made, seconded and carried unanimously to approve the Consent agenda.</b></p> <ul style="list-style-type: none"><li>■ Minutes of March 25, 2021 Board Meeting.</li><li>■ Attorney’s Monthly Fees – Resolution 21-4-1.</li><li>■ Attorney’s Monthly Fees.</li><li>■ Recognition of Retiring Employee – Bonnie Mathews – Resolution 21-4-2.</li></ul>
<b>Board Chair Update</b>	<p>Chair Pittman provided an update regarding various events and activities during the month of April.</p>
<b>President &amp; CEO Report/ Strategic Planning Update</b>	<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 the current COVID-19 impact to the finance department. CFO Hintz stated the virtual signing process for the 990 was successful with 100 percent compliance. He also provided an update regarding delinquent accounts and noted Dakota Electric has waived a total of \$1,015,236 in late fees since the beginning of April 2020. CFO Hintz highlighted the execution of one year fixed forward interest rate agreements in March 2021. This resulted in a savings of \$1.1 million or 17.7 percent over the life of the loans with CFC and CoBank. The loans consisted of \$13 million for AGi and \$8 million for normal plant additions. These agreements were entered into in March 2020 and the savings are based on what the interest rate would have been in March 2021 had Dakota Electric not entered into those agreements.</p> <p>Vice President of Utility Services Jeff Schoenecker provided an update on the Vermillion River Solar Project noting that it is considered complete with the installation of the Viper recloser. Vice President Schoenecker also provided an update regarding open tree trimming tickets, highlighting that all tickets from 2020 or earlier are scheduled to be complete by midyear 2021. End goal is the ability to respond to current tickets within a month and be able to provide members with a timeline of expected completion.</p>

Vice President of Engineering Services Betty Jo Kiesow shared that Dakota Electric is receiving the Dakota-Scott Workforce Board Employer of Excellence Award for the 4<sup>th</sup> time. Dakota Electric has received the award every year we have submitted. The award recognizes employers based on their employment practices, benefits offered, employee training and 401k participation. This year they also included questions on how companies pivoted due to COVID-19.

Vice President of Energy and Member Services Mike Fosse reviewed current rebate programs, noting rebates are reduced or phased out once they become the norm. Vice President Fosse stated that Dakota Electric will be reviewing the future of solar rebates and will bring options for next steps to the board at a meeting later this year.

Vice President of Information Services and CIO Mjyke Nelson provided an update regarding the resource planning project noting interviews should be complete by early May. CIO Nelson then shared IT is gearing up for the annual audit utilizing Loeffler and will use similar reports to compare from last year.

Vice President of Regulatory Services Doug Larson provided an update regarding Dakota Electric's transition plan for resuming disconnects and collection procedures. Minnesota Public Utilities Commission approved the plan and letters will be sent to member's with delinquent balances in early May, disconnect notices will be sent June 1 and physical disconnects will resume August 1.

CEO Miller concluded with a safety update noting one recordable injury this month. CEO Miller also provided a return to office update noting senior management plans to bring employees back into the office in waves after July 4 anticipating all staff will be back in office by end of summer.

**Recess**

The Board recessed from 10:25 a.m. until 10:35 a.m.

**AGi Update**

CIO Nelson reviewed the AGi budget and timeline noting the project remains under budget due to low consultant costs. CIO Nelson noted member calls continue to decrease and the low member opt out rate has stayed consistent.

**Great River Energy**

Directors Clay Van De Bogart and Margaret Schreiner provided a Great River Energy (GRE) update including recent Coal Creek developments. Director Van De Bogart noted GRE moved their strategic planning session to July and it will be in person. Director Schreiner noted the continued work on the Eco bill and stated GRE has not decided on a return to office for employees.

**Quarterly Financial Update**

CFO Hintz provided a first quarter financial update noting operating expenses are \$938 thousand or 6.2 percent favorable to budget and total revenue is \$1.1 million or 2.1 percent favorable to budget. However, overall kilowatt sales are 11.8 million kWh or 2.7 percent unfavorable to budget due to warmer weather in January and March leading to a decrease in sales. CFO Hintz noted kilowatt sales are following a similar trend as in 2020 with residential sales favorable and commercial sales unfavorable.

**2020 Patronage  
Capital  
Allocation**

- ✓ **A motion was made, seconded and carried unanimously to approve the 2020 Patronage Capital Allocation – Resolution 21-4-3.**

**Recess**

The board recessed from 11:58 a.m. until 12:30 p.m.

**Limited  
Arrearage  
Forgiveness  
Program**

Vice President Larson presented an overview of the Limited Arrearage Forgiveness Program and reviewed the member qualifications, plan administration, timeline and funding of the program noting the program will be capped at \$1 million and utilize operations funding and not a rate adjustment from members. If approved, the plan will be filed with Minnesota Public Utilities Commission on April 30.

- ✓ **A motion was made, seconded and carried unanimously to proceed with filing the plan for the program as outlined by staff.**

**Minnesota Rural  
Electric  
Association  
Update**

Director Stacy Miller provided a Minnesota Rural Electric Association (MREA) update noting MREA has resumed in person and hybrid meetings. Director Miller relayed many cooperatives are offering credits on their bill as incentive to attend annual meetings. Director Miller also noted the upcoming Energy Issues Summit scheduled for August 11-12, 2021.

**Board Retreat  
Committee  
Update**

Director John DeYoe provided a Board Retreat Committee update noting the preferred agenda topic was to take a deeper dive into strategic and operations planning for 2021. Would like to hire a facilitator to administer the retreat. Committee will interview potential candidates and bring back recommendations and a formal report at the May board meeting.

**Policy Update**

- ✓ **A motion was made, seconded and carried unanimously to approve Policy Book Section II, Policy 3, Employment Practices, proposal to change name to Employment of Relatives, with the edits noted, effective 4-29-2021.**
- ✓ **A motion was made, seconded and carried unanimously to approve Policy Book Section II, Policy 4, Physical Examinations – Pre-employment and Post-employment, with the edits noted, effective 4-29-2021.**
- ✓ **A motion was made, seconded and carried unanimously to approve Policy Book Section II, Policy 5, Work Rules and Termination of Personnel, proposal to change name to Work Rules, Progressive Discipline and Termination of Personnel Policy, with the edits noted, effective 4-29-21.**

**Attorney Update** Staff left the meeting with the exception of Greg Miller, Joe Miller and Melissa Cherney prior to the attorney and Election Committee update.

Attorney Sara McGrane provided a legal update noting work on policy updates and the Eide Bailey agreement.

**Election Committee Update** Director Bill Middlecamp provided an Election Committee update and gave an overview of member initiated campaign concerns with the 2021 board election. Director Middlecamp also relayed the committee's recommendation to keep the current Election Committee appointments for the 2022 election. This would result in the annual appointment of mid-year directors on the Election Committee instead of newly elected directors to alleviate any possible conflict of interest in the future.

**New Business** The board acknowledged Director Paul Bakken's ten years of service on the board of directors. It was also determined the Minnesota Zoo membership appreciation event for 2021 will be canceled due to safety concerns.

**Adjournment** ✓ **A motion was made, seconded and carried unanimously to adjourn at 2:35 p.m.**

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**Melissa Cherney, Recorder**

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**Gerald Pittman, Chair**

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**Kenneth Danner, Secretary**