



**DAKOTA ELECTRIC ASSOCIATION®
BOARD OF DIRECTORS VIRTUAL MEETING
MINUTES OF DECEMBER 16, 2021**

Dakota Electric Association Board Members in Attendance:

District 1

John DeYoe
David Jones
Jerry Pittman

District 2

Bill Middlecamp
Clay Van De Bogart

District 3

Ken Danner
Bill Holton
Margaret Schreiner

District 4

Paul Bakken
Judy Kimmes
Stacy Miller

Staff in Attendance:

Melissa Cherney
Jon Beyer
Rob Brick

Eric Fehlhaber
Mike Fosse
Corey Hintz

Betty Jo Kiesow
Sara McGrane
Greg Miller

Joe Miller
Mjyke Nelson
Jeff Schoenecker

Call to Order

Chair Jerry Pittman called the regular virtual meeting of the Dakota Electric Association Board of Directors to order at 8:30 a.m. and presided. A quorum was present.

Executive Session

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

Annual CEO Goal Setting and Performance Appraisal Review. Dakota Electric directors and legal counsel were present.

✓ **A motion was made, seconded and carried to move out of Executive Session and convene into open session at 8:55 a.m.**

Agenda Adoption

✓ **A motion was made, seconded and carried to adopt the agenda.**

Approval of the Consent Agenda

✓ **A motion was made, seconded and carried to approve the amended consent agenda. Recognition of retiring employee Mike Fosse resolution was pulled for additional consideration.**

- Minutes of November 18, 2021 Board Meeting
- Attorney's Monthly Fees – Resolution 21-12-1
- Attorney's Monthly Fees
- Recognition of Retiring Employee – Daryl Blohm – Resolution 21-12-2
- Recognition of Retiring Employee – Kelly Deegan – Resolution 21-12-3
- Recognition of Retiring Employee – Brenda Kadlec – Resolution 21-12-5

- Recognition of Retiring Employee – Malinda Mehrhoff – Resolution 21-12-6
- Recognition of Retiring Employee – Tip Raymond – Resolution 21-12-7
- Recognition of Retiring Employee – Tracy Weierke – Resolution 21-12-8

**Retiring Employee
Recognition**

- ✓ Recognition of Retiring Employee – Mike Fosse – Resolution 21-12-4

Staff provided special recognition for retiring staff member Mike Fosse, Vice President of Energy and Member Services. Vice President Fosse will be retiring at the end of the year.

**Employee
Welcome**

CEO Greg Miller introduced and welcomed new staff member Jon Beyer who joined Dakota Electric in December to succeed Mike Fosse as the new Vice President of Member Services and Energy.

**Board Chair
Update**

Chair Pittman provided an update regarding various events and activities during the month of December.

Director Judy Kimmes had to leave the meeting.

**President & CEO
Board Report**

Vice President of Engineering and Administrative Services Betty Jo Kiesow provided a human resources update noting an increase in retirements and staff turnover the past few years has resulted in one-third of current Dakota Electric staff having been hired in the past five years bringing down the average employee age. Vice President Kiesow stated Human Resources will move focus to employee retention, training and engagement versus succession planning. Vice President of Energy and Member Services Mike Fosse noted the impact employee turnover is still having on the call center as they continue to struggle to fill vacant member service positions.

Vice President of Financial Services and CFO Corey Hintz noted that Dakota Electric distributed the 2021 capital credit retirement checks to members on December 15, 2021. A total of 54,256 capital credit checks totaling 4.5 Million were mailed to members. CFO Hintz then provided an update on average delinquent member account balances noting there has been a 3.3 percent decrease from October.

Vice President of Utility Services Jeff Schoenecker briefed the board on COVID-19 impacts to the Utility Services department and reviewed Dakota Electric's reliability and response following the recent unprecedented December thunderstorm that resulted in destruction and widespread outages. Vice President of Information Services and CIO Mjyke Nelson provided updates regarding meter exchanges, member call volume and the enterprise resource planning system replacement.

Vice President of Regulatory Services Adam Heinen provided a legislative update noting the budget surplus and related discussions. CEO Miller concluded with updates related to safety, budget and staffing.

**Great River
Energy**

Directors Clay Van De Bogart and Margaret Schreiner provided a Great River Energy update. Director Van De Bogart reviewed the recent COVID-19 event that resulted in an altered board and committee schedule due to multiple positive cases and exposure. He then reviewed some additional information regarding the Buffalo Wind Purchase Agreement and additional capacity purchase agreement with Rainbow Energy Center.

- ✓ **A motion was made, seconded and carried by a 9-1 majority vote to approve the Amendment to NextEra Energy Resources, LLC Buffalo Ridge Wind Purchase Agreement – Resolution – 21-12-9.**
- ✓ **A motion was made, seconded and failed by a 5-5 split vote to approve the Additional Purchase Quantity Under Financial Settlement and Capacity Purchase Agreement with Rainbow Energy Center – Resolution 21-12-10.**

**Minnesota Rural
Electric
Association**

Director Stacy Miller provided a Minnesota Rural Electric Association update stating limited information since the board has not met since October. Director Miller also spoke to a visit by MREA executives to a training center in North Minneapolis with a focus on how to increase diversity in the workplace.

**2022 Nominating
Committee
Selection**

Nominating Committee applicants were placed in a pool of their assigned districts determined by their member address and two committee members along with one alternate were chosen by random for each of the four districts.

- ✓ **A motion was made, seconded and carried unanimously to approve the Selected Members of the 2022 Nominating Committee.**

Policy Update

- ✓ **A motion was made, seconded and carried by a 9-1 majority to approve the Policy Book Section III, Policy 1, Code of Ethics and Business Conduct, with edits noted, effective 12-16-2021.**

**2022 Operating
Budget**

CEO Miller and Senior Management Staff presented the 2022 Operating Budget noting AGi will remain the main focus in 2022 while continuing with other investments and initiatives to allow Dakota electric to safely provide reliable electric service to its membership.

The 2022 budget includes a projected revenue of \$220.6 Million, an estimated 1.891 Billion in kWh sales and a projected operating margin of \$1.9 Million.

- ✓ **A motion was made, seconded and carried unanimously to approve the 2022 Operating Budget – Resolution – 21-12-11.**

Attorney Update Attorney Sara McGrane provided a review of board candidate eligibility per Dakota Electric bylaws and policies and also noted distribution of polls do not violate open meeting laws.

Ad hoc Committee Request Director Bill Middlecamp requested to establish a climate based risk assessment ad hoc committee. Directors Paul Bakken, Stacy Miller, Margaret Schreiner and Bill Middlecamp will begin discussions.

✓ **A motion was made, seconded and carried by a 8-2 majority vote to approve beginning discussions and research related to climate based risk assessments.**

Adjournment ✓ **A motion was made, seconded and carried to adjourn at 4:09 p.m.**

Melissa Cherney, Recorder