**CASS COUNTY ELECTRIC COOPERATIVE INC.**

Annual Meeting Minutes – April 23, 2019

(To be approved by the membership at the 2020 Annual Meeting)

The 81st Annual Meeting of the members of Cass County Electric Cooperative Inc. was held at the Delta by Marriott, Fargo, North Dakota on Tuesday, April 23, 2019.

Paul Matthys, VP Member and Energy Services welcomed everyone and introduced Lissa Meyer who performed the National Anthem. A meal of open-face roast beef sandwich with mashed potatoes, gravy, corn and cheesecake bites was served.

Chairman Marcy Svenningsen thanked Lissa Meyer and officially called the meeting to order at 6:05 p.m. Chairman Svenningsen introduced board members Douglas Anderson, District 2; Sid Berg, District 3; John Froelich, District 1; Wendy Loucks, District 5(1); Glenn Mitzel, District 5(3); Tom Seymour, District 5(2); Jeffrey Triebold, District 4 and their spouses. Chairman Svenningsen recognized Director Wendy Loucks for her 12 years of service as Chairman of the Board. Director Russell Berg, his wife Donna, and their family are in attendance this evening. Chairman Svenningsen thanked retiring Director Russell Berg for his 30 years of service as a director and presented him with a gift card to Scheel’s. Director R. Berg then thanked the membership and executive staff then shared several memories of serving on the board. Chairman Svenningsen introduced the executive staff and legal counsel, Tami Norgard. President/CEO Marshal Albright introduced guests, retired employees and directors, Cass County Electric employees, and acknowledged Jocelyn Hovland for her work in planning the Annual Meeting.

Chairman Svenningsen reported to the membership that the official number of registered members in attendance was 359, which in accordance with the Bylaws of the Cooperative, constituted a quorum for the transaction of business. A listing of the members (by district) in attendance is attached to the minutes of this meeting. Total number of attendees is 501. Chairman Svenningsen further certified that proper notice of meeting was mailed to each member on March 29, 2019. A copy of the Notice of Meeting and Proof of Mailing is attached to the minutes of the meeting. Chairman Svenningsen then called for the adoption of the meeting agenda. Hearing no objections from the membership, the meeting agenda was adopted as presented. A copy of the meeting agenda is attached to the minutes.

The membership then considered the minutes of the 2018 Annual Meeting. The following resolution was made, seconded and approved by the membership: **RESOLVED: to unanimously approve the minutes of the 2018 Annual Meeting as presented and that the reading of these minutes be dispensed with, as this information was furnished for review by the membership prior to the start of the meeting.**

Chairman Svenningsen called on Attorney Tami Norgard of the Vogel Law Firm to explain the election process. Ms. Norgard thanked the board for their long-standing relationship with the Vogel Law Firm. For members who were unable to attend the Annual Meeting, absentee ballots were offered to members this year and will be included in the vote for directors. We must elect directors to fill the seats for District 1, District 6, and one of the three seats allocated to District 5, the most populous director district. Ms. Norgard then noted the candidate in District 1 is running unopposed, the Chairman will ask for a motion, second and a voice vote to elect the candidate for this position. Assuming the requested motion is made, seconded and adopted, the unopposed director will be duly elected. Each candidate running in a contested election will be given the opportunity to address the membership. After all candidates for the contested elections speak, the Chairman will commence with voting by ballot for nominees in Districts 5 and 6.

Chairman Svenningsen summarized the Credentialing Committee’s report stating the following members of Cass County Electric filed a petition for nomination and have been qualified by the Credentialing Committee to run for the position of director in the districts in which there are vacancies at the 2019 Annual Meeting:

 District 1 John Froelich (I) Valley City, North Dakota

 District 5 Glenn Mitzel (I) West Fargo, North Dakota

 District 5 Arthur Rosenberg Fargo, North Dakota

 District 6 Stephen Hayton Horace, North Dakota

 District 6 Kalvin Hoff Fargo, North Dakota

The petitions of these nominees shall become an official part of the minutes as recorded in the records of the Cooperative. Chairman Svenningsen then declared nominations closed in the districts which there were vacancies and introduced the proposed Teller Committee members appointed to oversee the collection and counting of members’ ballots by Cass County Electric employees. The Teller Committee members are: Jane Lindemann of Fargo, and Dan Seymour of West Fargo. A motion was made, duly seconded and approved by the membership to accept the chosen Teller Committee members to oversee the election process. The membership was then asked to cast unanimous ballots to re-elect the incumbent District 1 director by voice vote.

The following resolution was duly made, seconded and approved by the membership: **RESOLVED: THAT** **John Froelich be declared as the director in District 1, and commissioned to hold office for three years or until his or her successor shall have been elected and qualified.**

Chairman Svenningsen introduced the remaining candidates standing for election for the director positions in District 5 and District 6 and each candidate was called to the podium in alphabetical order and allowed three minutes to address the membership. Chairman Svenningsen then directed the membership to cast their ballot in the District 5 and District 6 elections. When the ballots from all qualified voters were received, the Teller Committee left the meeting to oversee the counting of the members’ ballots.

Chairman Svenningsen provided the Board Chairman’s report to the membership on governance. The National Rural Electric Cooperative Association assembled a Task Force on Governance for Cooperatives and prepared a listing of Best Practices for Cooperative Boards. After studying the list, Ms. Svenningsen is proud to say Cass County Electric had many of the recommended practices and policies in place. The Cooperative has added a monthly synopsis of the board meetings in the Highline Notes publication, and for the first time offering Absentee Ballot voting. The board demonstrated their belief in the importance of training and education by changing the director qualifications so that new directors must attain their Certified Cooperative Director (CCD) certification before the end of their first term. Once the CCD is obtained, directors can further continue their education by earning a Board Leadership Certificate and go on to the Director Gold certification. Directors also participate in state, regional and national meetings held each year to learn about current issues facing the utility industry. Cass County Electric had a record year in 2018 in reaching the milestone of 50,000 accounts and kilowatt hour sales of 1.28 Billion which brought in $137 Million in revenue. You should expect the Directors be educated and up to speed. Directors set the vision for the cooperative. It is our responsibility to make sure that employees have the tools they need to do the job safely, to make sure the Cooperative is financially healthy, and to hire the right President/CEO and ensure everyone performs their responsibility with integrity. The board is focused on governance, proactively reviewing and updating our practices, utilizing technology and tools to make sure we do the best job we can for you – the members of the Cooperative.

President Albright provided the President’s report to the membership noting the rapidly changing energy landscape with the increase of oil and gas production along with wind energy in America. The mission of Cass County Electric is to serve our members’ energy needs with affordable and reliable electricity. Our theme is the Cooperative Difference. We are locally owned and controlled by our members; we are community based and member driven; and we have a sharp focus on cost control to maintain stable rates. Our Vision 2020 is to strive to be an industry leader in safety, service, reliability, data security, financial and employee management. To be prudent, fair and responsible with our members’ money by reducing bills $750,000 due to revenue exceeding the forecasted budget, and the payout of $1.58 Million in capital credits. Reliability is a key focus area, power was on 99.9913% of the time. By 2020 we will have all substations with SCADA technology. Our employees have signed a Commitment to Zero for line contacts. We have a strong Commitment to Community and provide safety presentations and training to local schools and fire departments, along with the Operation Round Up program. Opportunities lie ahead including innovative use of technology with Artificial Intelligence; process improvements using mobile applications; we strive to maintain reliability above 99.99%; and embrace the evolution of electric vehicles. President Albright then thanked the employees as they are the heartbeat of the Cooperative and provide the value you, our members expect.

President Albright then introduced Robert “Mac” McLennan, President/CEO of Minnkota Power Cooperative for an update on our current and future power supply. Mr. McLennan reviewed the generation sources of coal, wind, hydro, and the market. Minnkota continues to work on lowering emissions at the Young Station. There are 3,340 miles of transmission lines to the 255 substations in Minnkota’s service territory. Minnkota has made a substantial investment of $35 Million in the Fargo area over the past five years; and faces challenges to provide electricity on lines that are 70 years old. Mr. McLennan then discussed Project Tundra wherein CO2 is returned to the ground to be stored for enhanced oil recovery; Minnkota continues to work on the feasibility of Project Tundra. Mr. McLennan then discussed the MISO Maximum Generation Event during the Polar Vortex in January 2019 and the challenges of managing wind assets. Minnkota spends a significant amount of time on grid security in today’s world. McLennan thanked Cass County Electric for their help in explaining to the membership the rapidly changing industry.

Chad Sapa, VP of Corporate Services/CFO presented the 2018 year-end financial report. The audit firm of Eide Bailly, LLP conducted the audit in January 2019, and presented the audit to the board of directors at the February 2019 board meeting. Eide Bailly presented an unmodified opinion with no internal control findings and no compliance findings. VP Sapa reviewed the balance sheet, financial operations, and noted that our accountability is expense management. After reviewing the cooperative’s financial status, VP Sapa called for questions from the floor. There were no comments or questions from the membership.

Chairman Svenningsen thanked Mr. Sapa for the financial report.

Chairman Svenningsen then announced the election results provided by the Teller Committee:

* In District 1, John Froelich was declared the winner by voice vote.
* In District 5, Glenn Mitzel was declared the winner with 277 votes.
* In District 6, Kalvin Hoff was declared the winner with 232 votes.

The declared winners as elected by the membership are to hold office for a three-year term or until his or her successor has been elected and qualified. The Teller Committee Report is attached to these minutes.

Chairman Svenningsen called for old business, there was none. Chairman Svenningsen then called for new business, there was none. Chairman Svenningsen opened the floor for discussion. President/CEO Albright responded to questions from the membership.

Hearing no other issues offered for discussion or announcements from the membership, Chairman Svenningsen thanked the Delta by Marriott and Media Productions for hosting the event and handling the audio/visual. Chairman Svenningsen then called on VP Paul Matthys to conduct the door prize drawings.

A motion was duly made and seconded to adjourn the meeting at 7:45 p.m.

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 Glenn D. Mitzel, Secretary