

# CASS COUNTY ELECTRIC COOPERATIVE INC.

Annual Meeting Minutes – April 5, 2022

(To be approved by the membership at the 2023 Annual Meeting)

The 84<sup>th</sup> Annual Meeting of Cass County Electric Cooperative Inc. was held at the Delta by Marriott, Fargo, North Dakota, on Tuesday, April 5, 2022. The theme of the meeting was People Behind the Power.

Paul Matthys, VP Member and Energy Services, welcomed everyone and introduced the National Anthem. A meal of Beef Jardiniere and a dessert of homemade cupcakes from the Paisley and Dash Bake Shop was served.

Chair Marcy Svenningsen welcomed the membership, introduced herself, and officially called the meeting to order at 6:02 p.m. Chair Svenningsen commended the Directors on their commitment to support our values of safety, reliability, and affordability. She then introduced board members Sid Berg, District 3; Jeffrey Triebold, District 4, served as Vice-Chair; Tom Seymour, District 5; Glenn Mitzel, District 6, served as Secretary; Wendy Loucks, District 7; Calvin Hoff, District 8, served as Treasurer; Terry Kraft, District At-large and their guests. Director Doug Anderson from District 2 was unable to attend. Chair Svenningsen then introduced Tami Norgard of the Vogel Law Firm, serving as legal counsel.

Chair Svenningsen then provided the Board Chair's report to the membership, noting that this is the members' meeting, their Board, and their Cooperative. The membership has a say in who represents them. The \$3M in capital credits is the highest amount ever paid out in a year due to the robust performance and growth of the Cooperative. Reliability in 2021 was 99.99%. Everyone from the membership, Board of Directors, management team, line workers, engineers, and office staff, worked together to ensure electricity is always there. The Board and management staff held a strategic planning session analyzing strengths, weaknesses, opportunities, and threats to ensure nothing was overlooked in our current strategic plan. This is a process the Board believes in to be proactive in their decision-making. Chair Svenningsen then announced she was appointed as the Executive Director for the North Dakota Farm Service Agency in February and, unfortunately, will withdraw from running for re-election. Chair Svenningsen said it was an honor and a privilege to represent the members on the Board for the past ten years.

President/CEO Marshal Albright introduced guests, retired employees and directors, greetings from Senator Kevin Cramer, Senator John Hoeven, and Representative Kelly Armstrong. President Albright acknowledged Jocelyn Hovland for planning the Annual Meeting.

Chair Svenningsen reported that the official number of registered members in attendance was 237, which constituted a quorum for the business meeting under the bylaws of the Cooperative. A listing of the members (by District) in attendance is attached to the Minutes of this meeting. The total number of attendees is 378. Chair Svenningsen further certified that proper notice of the meeting was mailed to each member on March 21, 2022. A copy of the Notice of Meeting and Proof of Mailing is attached to the meeting Minutes. Chair 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 Agenda is attached to the Minutes.

The membership then considered the Minutes of the 2021 Annual Meeting. The following resolution was made, seconded, and approved by the membership: **RESOLVED: to unanimously approve the Minutes of the 2021 Annual Meeting as presented and that the**

**reading of these Minutes be dispensed with, as this information was furnished for review by the membership before the start of the meeting.**

Chair Svenningsen called on Attorney Tami Norgard of the Vogel Law Firm to explain the election process. With Chair Svenningsen withdrawing from the director election, there are only incumbents running in open seats in District 6 and District 8. The District 1 director position will remain vacant until filled by the Board. Attorney Norgard explained the process of appointing a director to fill a vacancy.

Attorney Norgard then called on Chair Svenningsen to summarize the Credentialing Committee's report and identify the candidates. Chair Svenningsen then 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 2022 Annual Meeting:

District 1	Marcy Svenningsen (I)	Valley City
District 6	Glenn Mitzel (I)	West Fargo
District 8	Kalvin Hoff (I)	Fargo

The petitions of these nominees shall become an official part of the Minutes as recorded in the records of the Cooperative.

The candidates in Districts 6 and 8 are running unopposed. The membership was asked for a motion, a second, and a voice vote to elect the candidate for this position. The unopposed director will be duly elected if the requested motion is made, seconded, and adopted.

The following resolution was duly made, seconded, and approved by the membership: **RESOLVED: THAT Glenn Mitzel be declared the director in District 6 and commissioned to hold office for three years or until their successor shall have been elected and qualified.**

The membership was then asked to re-elect the incumbent District 8 director by voice vote.

The following resolution was duly made, seconded, and approved by the membership: **RESOLVED: THAT Calvin Hoff be declared the director in District 8 and commissioned to hold office for three years or until their successor shall have been elected and qualified.**

President Albright provided his President's report to the members noting the accomplishments of 2021. The success of the Cooperative is directly tied to the People Behind the Power. We have an engaged Board of Directors and 93 full-time employees committed to supporting our mission to serve our members' energy needs with affordable and reliable electricity. The Board and management staff held a strategic planning session where we validated our strategy and business plan for 2022. In 2021, the membership grew by 1778 new accounts, including 1217 new homes for 55,199 accounts. The Cooperative sold 1.315 billion kWh. Revenue was up 4.1% over the previous year, with solid kWh sales, and carefully managing operating expenses. Reliability was again at 99.991%; it is achieved by our employees. We also invest in employee training, specialized trucks, and equipment; an in-house engineering team; a 24/7 power control center, technology in meters and substations, and critical security controls. We focus on exceptional service to our members. We surveyed our members to get their opinion and, received an American Customer Satisfaction Index score of 86. Operation Round Up donated over \$212,000 to area non-profits and individuals in need. Looking forward to 2022, we anticipate solid growth,

opportunities with the Federal Infrastructure Investment and Jobs Act bill; challenges of supply chain issues for material; and Minnkota's power supply options for the future.

President Albright then thanked Executive Assistant Karen Egeberg, as she has announced her retirement this fall and Marcy Svenningsen for her years of service and dedication to the Cooperative; and to the employees of Cass County Electric, who are the "People Behind the Power."

Chad Sapa, VP of Corporate Services/CFO, presented the 2021 year-end financial report. The audit firm of Eide Bailly, LLP conducted the audit in January 2022 and reviewed the audit with the Board of Directors at the February 2022 board meeting. Eide Bailly awarded an unmodified opinion with no internal control and compliance findings. VP Sapa reviewed the balance sheet and financial performance of the cooperative.

President Albright welcomed Robert "Mac" McLennan, President/CEO of Minnkota Power Cooperative, for an update on the power supply. Mr. McLennan shared information about Minnkota, noting that they are owned by 11 member-owner cooperatives. The latest industry challenges include balancing reliability, affordability, and sustainability with changing consumer expectations. Discussed the February 2021 Cold Weather Event and added that MISO max generation events are happening more frequently. Discussed the environmental, social, and governance pressures on utilities to reduce carbon emissions and the path to a carbon-free society. Mr. McLennan explained Project Tundra, which would take flue gas, separate the carbon dioxide and store it underground, which is complicated and extremely expensive. We need to be in a position to continue using fossil fuel resources and new technologies to maintain reliability. Mr. McLennan touched on power delivery system reliability with an investment of \$663.6M for transmission, ongoing cybersecurity risks, and increased telecommunication needs. With the utility landscape evolving and expectations changing, Minnkota's vision is to be a leader with clean, reliable, and affordable energy. Mr. McLennan thanked the Board for asking him to speak and thanked Marcy Svenningsen for her years of service on the Minnkota Board of Directors.

Attorney Norgard then reviewed the change made to the bylaws in July of 2021. The only bylaw amendment was changing the Small Capital Credit payout threshold. The Board increased the value to allow early payoffs for anyone owed less than \$1000 in capital credits at present value. This was done to eliminate the need to track down people with small balances.

Chair Svenningsen called for old business three times; there was none.

Chair Svenningsen then called for new business; there was none.

Chair Svenningsen opened the floor for discussion. The executive staff responded to the following questions from the membership:

- Do all members receive a capital credit payout? The capital credit payout was for 1999 and 2000, along with small capital credit payouts and estate capital credits.
- How are capital credits distributed to the members? The Board approves the capital credit allocation after the audit results. Every active member in 2021 would receive an allocation based on their share of year end revenue into their capital credit account for future payout upon Board approval
- Has the Board considered purchasing carbon credits? Carbon credits do not pertain to CCEC.

- What was the cause of the lengthy outage in the Litchville area on April 5, 2022? The outage was an equipment issue on the transmission side.
- What happens if Project Tundra does not work? Minnkota has not decided on Project Tundra; they believe it will work if the project moves forward. If not, Minnkota will look at other options.
- Did the Petra Nova Project in Texas close down because it did not work? Mr. McLennan responded that the Petra Nova Project worked well and was shut down due to the economy.
- Do we purchase our transformers from China or southeast Asia? We have a purchase alliance with ABB /Hitachi, and all the transformers are made in Jefferson City, Missouri.

Chair Svenningsen then called on VP Paul Matthys to conduct the door prize drawings. The door prizes included a \$100 gift card to the following merchants: Hornbacher's, Cash Wise, Deep Blue Seafood, John & Wayne Meats, Holiday Gas Station, Casey's Gas Station, Fleet Farm, Ace Hardware, Target, and Walmart.

Hearing no other issues offered for discussion or announcements from the membership, Chair Svenningsen thanked Delta by Marriott for hosting the event, and Mobile Pro for handling the audio/visual presentation.

A motion was duly made and seconded to adjourn the meeting at 7:43 p.m.

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Glenn D. Mitzel, Secretary