




**Nobles Cooperative
Electric**

Your Touchstone Energy® Cooperative 

Regular Board Meeting Minutes

November 10, 2020 — Norwood Inn, Worthington

Board of Directors in attendance: Ronald Schwartau, Lee York, Cindy Hokeness, Bruce Barber and Jerry Beckering. Directors Gary Sieve and Gary Clarke joined via Zoom.

Other attendees: Chief Executive Officer/General Manager Adam Tromblay, Chief Financial Officer Sherry Swanson, Line Superintendent Brian Postma, Member Services Manager Tracey Haberman, Executive Secretary Julie Baumgard, and Executive Assistant Amy Rucker.

Call to Order

The meeting was called to order by Chairman Schwartau at 8:00 a.m. and a quorum was acknowledged.

Executive Session

The Board met in executive session.

Notice of Meeting

The notice of the meeting was given in accordance with the bylaws.

Appointment of Recording Secretary

Chairman Schwartau appointed Executive Secretary Baumgard as the recording secretary for the meeting.

MREA Update

President & CEO Darrick Moe of Minnesota Rural Electric Association (MREA) joined the meeting to give an update on MREA programs, projects, and events.

Approval of Agenda

Management and staff presented an agenda for the Board's consideration that was approved.

Request

A request was made to have a cyberactivity update presented at the next board meeting.

Board Meeting Minutes

The October 16, 2020, Board Meeting Minutes were approved.

Consent Agenda Items

After the staff answered a question, the following consent agenda items were approved: disbursements for the period October 2020; along with membership applications and cancellations.

January 2021 Board Meeting

Tuesday, January 12, 2021, at 8:30 a.m.

Board Policy 4-12

The amended board policy was brought back to the Board. After discussion, a motion was made, seconded, and carried to approve the amended Board Policy 4-12 "Payment of Patronage Capital".

Attorney Invoice

A motion was made, seconded, and carried to approve the attorney invoice.

Mid-West Electric Consumers Association Annual Meeting

Director Schwartau will be attending the Mid-West Electric Consumers Association Virtual Annual Meeting on December 9, 2020, and will be the delegate.

Board Policies

Board Policies 5-29 “Employee Paid Time Off (PTO)” and 5-30 “Extended Illness Account” were included as information only.

Director Reports

Director York gave his monthly Great River Energy report, while Director Schwartau updated the Board and staff on MREA.

Management and Staff Reports

Management and staff gave their department reports. A motion was made, seconded, and carried to approve the Financial Report. The board was also updated on safety activities from the last board meeting.

IBEW Contract

A motion was made, seconded, and carried to accept the 2021-2024 contract between Nobles Cooperative Electric and International Brotherhood of Electrical Workers (IBEW) Locals 426.

Governance Talk

All in attendance watched the video entitled “Methods of Nominating Director Candidates.”

Articles of Incorporation and Bylaws, including Voting Process

Attorney Chad Felstul from Pemberton Law, P.L.L.P. joined the meeting. The Board, staff, and the Cooperative's attorney held discussions about potential changes to the articles of incorporation and bylaws. These discussions included the following topics:

- Changing the Cooperative from a stock corporation to a non-stock corporation.
- Allowing the Board to have the option of electronic voting in the future.
- Changing language regarding the annual meeting to enable the Board to determine the manner, method, and location of the annual meeting.
- Clarifying language and adding language regarding capital credits to follow proper procedure and how the Cooperative handles capital credits. A proposed change is to ensure that the Cooperative allocates capital credits, instead of the current language which states that the Cooperative is obligated to pay by credits to a capital account. There was also discussion about a change that would allow the Cooperative to recoup, setoff, or offset any amounts owed to the Cooperative through a member's capital credits.
- Having only capital credits allocated to a member's account based on the net amount paid to the Cooperative for electric service.
- Removing language obligating a member to purchase a specific amount of energy.
- Members who are married would have a joint account unless the member specifies in writing that the membership is a single membership.
- Coming up with a policy to provide guidance to the nominating committee in finding qualified candidates.
- Having term limits. After discussion, it was determined to keep as is without having term limits.
- Voting for directors on a district basis as opposed to the current method of having the entire membership vote for each director. After discussion of the pros and cons of each method, it was determined to keep the current method of having the entire membership vote for each individual director.
- The quorum language would be modified to make it clearer that those members represented by either electronic or mail in ballots would be counted toward a quorum.
- Adding language to have specific reasons given when the members seek to remove a director or officer for cause.

Attorney Felstul will make the proposed changes to the articles and bylaws for the next board meeting.

Adjourn

There being no further business to come before the Board, the meeting was adjourned at 1:57 p.m.