

April 2021 Board Meeting Summary

The Lake Region Electric Cooperative (LREC) Board of Directors convened at 8:30 a.m. on Thursday, April 29, 2021 at the cooperative headquarters in Pelican Rapids, MN and via Webex. The Board of Directors approved the minutes of the March 25, 2021 board meeting and April 13, 2021 special board meeting. Approval was also given to the consent agenda items of expense statements, disbursements, legal bills, new memberships, and capital credit retirements to estates.

CEO Report: CEO Tim Thompson highlighted focus items under the following categories: Customer Focus – reliability, virtual district meetings, and the recent LRES customer satisfaction survey; Financial Focus – strengthening the balance sheet and improving rate competitiveness; Employee Focus – succession planning and implementation of the new Union contract; and Board Focus – succession planning as board members retire and the transition of LREC’s Great River Energy (GRE) board member.

Thompson also discussed various software opportunities.

Financial Report: March 2021 financials were approved as presented. Finishing the first quarter of 2021, LREC has experienced milder weather combined with higher PCA charges due to the polar vortex. Controllable expenses have been managed within 2.2 percent of budget and revenue exceeds budget even though kWh sales are 3.3 percent lower than anticipated.

The board approved LREC’s capital credit 2020 allocation of \$3,729,346.64. The 2020 allocation will be on the June bill that goes out to the membership in early July.

Annual Meeting: Plans were discussed for LREC’s 2021 Annual Meeting which will be held virtually from the Cooperative’s headquarters.

Lake Region Energy Services: The income statement/balance sheet for March 2021 was approved. March revenue was behind budget. Gas supply cost and controllable expenses for the month were under budget.

Dylan Aafedt presented an LRES 2021 update covering easements and construction progress. NPL started service drops on April 19. Marketing materials for the new construction and existing projects were also reviewed.