

December 2021 Board Meeting Summary

The Lake Region Electric Cooperative (LREC) Board of Directors convened at 8:00 a.m. on Tuesday, December 21, 2021 at the cooperative's headquarters in Pelican Rapids, Minnesota. The Board of Directors approved the minutes of November 23, 2021 board meeting. Approval was also given to the consent agenda items of expense reports, new memberships, capital credit retirements to estates, disbursements and legal bills.

CEO Report: CEO Tim Thompson updated the Board on recent informational meetings for those members interested in becoming directors. Thompson also expressed his appreciation regarding the Board's input on strategic planning and topics to be focused on moving forward. Thompson will be a speaker at a Minnesota Rural Electric Association (MREA) conference in January to discuss Lake Region Energy Services (LRES), together with LREC's member engagement and employee engagement.

City of Fergus Falls – Franchise Agreement: Manager of Corporate Services Greg Larson provided an update to the Board regarding the City of Fergus Falls and its intentions to charge franchise fees to utility companies serving residents of Fergus Falls.

Financial Report: The Board approved the LREC quarterly write-offs as presented by staff. The November 2021 financials were approved as presented with additional direction based upon staff's presentation to the Board. November operating revenue was behind budget. November power cost came in under budget. LREC's equity remains above 45%.

Policies: The Board reviewed *Policy 101 – Policy on Policy*. The Board reviewed *Policy 203 – Organizational Document Review*. The Board reviewed and approved edits to *Policy 201 – General Counsel and Attorney*.

Lake Region Energy Services (LRES): The November financials were approved as presented. Revenue was behind budget and gas supply cost was under budget. Controllable expenses for November came in under budget. The Board approved the LRES quarterly write-offs as presented by staff.