

## September 2019 Board Meeting Summary

The Lake Region Electric Cooperative (LREC) Board of Directors met at 9 a.m. on Thursday, September 26, 2019 at the cooperative headquarters in Pelican Rapids, MN. The Board of Directors approved the minutes of the August 23, 2019 board meeting. Approval was also given to the consent agenda items of expense statements, disbursements, new memberships, and capital credit retirements to estates.

**CEO Report:** CEO Tim Thompson was recently interviewed by the Minneapolis Star Tribune and Minnesota Public Radio. Copies of the articles, which focused on LREC's wind/solar hybrid project, were provided to the board.

**2020 Strategic Plan:** The cooperative's Pyramid of Success was reviewed for 2020. Strategic imperatives remain the same.

Staff members went through their individual department work plans for 2020.

**Financial Report:** August 2019 financials were approved as presented. Revenue for the month was ahead of budget. The average temperature in August was 3 degrees cooler than 2018. Power cost and controllable expenses for the month were under budget. The hybrid project generated 492,407 kWh from wind production and 45,836 kWh from solar production.

**Wind/Solar Hybrid Pilot Project:** A new pilot project is being launched to test the ability of large capacity water heaters to act as thermal storage batteries. LREC is looking for member volunteers served by the Erhard Substation with existing Marathon water heaters and internet access.

**Meetings:** Director Earl Rydell shared highlights from the NRECA Regional Meeting.

Plans are underway for candidate informational meetings in Districts 2 and 5. Individuals interested in becoming a director are encouraged to attend these meetings to learn more about being a director.

**Lake Region Energy Services:** The income statement/balance sheet for August 2019 was approved. Operating expenses for the month were on plan.

A rate committee, which also includes the mayors of Dent, Deer Creek, Parkers Prairie, and Miliona, has been established. The committee will review the rate book annually before filing each May.

**Great River Energy (GRE):** Board Member Denny Tollefson reported on GRE's most recent board meeting. He shared a slide showing transmission system reliability as being a priority for GRE. CEO Tim Thompson reported on the member managers meeting. Thompson shared with the board a slide on rate re-design with areas of potential agreement.

The board will present to GRE a LREC board resolution in recognition and appreciation of doing a good job balancing rates, renewables, and financial strength.