

June 2021 Board Meeting Summary

The Lake Region Electric Cooperative (LREC) Board of Directors convened at 12:30 p.m. on Tuesday, June 22, 2021 at the cooperative headquarters in Pelican Rapids, MN. The Board of Directors approved the minutes of the May 27, 2021 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.

Election Results: Board Chairman Tom Jennen announced the results of the director election as follows: District 1 – Kurt Krueger (uncontested); District 4 – Earl Rydell (323 votes), Dave Pawlowski (127 votes); District 7 – Tom Jennen (uncontested). The results were approved as presented.

Board Officers: The board approved the reseating of the following officers: Tom Jennen – Chair, Sid Wisness – Vice Chair, Joyce Valley – Secretary, and Robert Shaw – Treasurer.

Annual Meeting: June 2, 2022 was set as the date for LREC's 2022 Annual Meeting. The meeting, which will celebrate the Cooperative's 85th anniversary, will be held in person at Life Church in Fergus Falls. A live stream viewing option will also be available to members.

CEO Report: CEO Tim Thompson noted how leadership strategic planning will take place in July 2021 ahead of the August start on the 2022 budget.

Marketing Plan: Dylan Aafedt and Candace Rastedt presented LREC's Marketing & Communications Plan. They highlighted efforts of the 'Member Motivated, Future Focused' campaign recently started at the Cooperative. Also discussed was the Distribution Grid Improvement Program (DGIP) – with a goal of improving the reliability of LREC's grid for members and increasing safety and serviceability for employees.

Eco Experience: Minnesota Renewable Energy Society (MRES) reached out to LREC and asked if the Cooperative would provide information on its wind/solar hybrid project. This information will be on display at the Minnesota State Fair this year for the Eco Experience exhibit.

Magazine Article: *T&D Magazine* is doing a feature on LREC and the next level of reliability highlighting the Exacter Program and the Distribution Grid Improvement Program. This article will be featured in the July issue of the magazine.

NISC Conversion: The board approved the conversion to the full NISC Suite.

Financial Report: May 2021 financials were approved as presented. The warmer than average temperatures have helped drive the operating margin back on track in comparison to budget. Controllable expenses continue to hold in line with budget. As a result, the year-to-date margin has improved and is ahead of budget through the first five months of the year.

Cyber Security: Dylan Aafedt provided training for the board on cyber security. He presented cyber security stats, phishing attempts, how cyber-attacks happen, LREC's actions to prevent cyber-attacks, and how to avoid being a victim.

Lake Region Energy Services: The income statement/balance sheet for May 2021 was approved. May revenue was behind budget. Gas supply cost for the month was slightly over budget. Controllable expenses came in under budget.