

March 2019 Board Meeting Summary

The Lake Region Electric Cooperative (LREC) Board of Directors met at 9 a.m. on Thursday, March 28, 2019 at the cooperative headquarters in Pelican Rapids, MN. The Board of Directors approved the minutes of the February 28, 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 reported that the hybrid project is online. GE has plans to produce a video featuring the project.

Jonathan Friesner, creator of the GroShed container, visited the co-op with a mobile unit that has vegetables growing in it. Friesner gave a presentation to staff members and the community entities that provided letters of support for the EPRI/GRE indoor agriculture project.

2018 Audit Report: The board went over the audit process, required communications, audit results, items of interest, and financial results. The audit process is a preformed audit using a risk-based audit approach. The 2018 Audit Report was approved as presented.

Financial Report: The financial report was accepted for the period ending February 28, 2019. Lake Region continued its strong start to the year with revenue for the month of February coming in ahead of the budget for the month. Power cost for the month was higher than budget due to increased kWh purchases for the month and the hybrid project not being online. February's controllable expenses were under budget.

Policies: The board approved Policy 208 – *Director Compensation* and Policy 708 – *Cyber Security*.

Safety: Theresa Halverson reviewed the most recent quarterly meeting of the Safety & Health Committee. The committee is preparing for the NRECA accreditation audit that will take place in 2019.

Lake Region Energy Services: The income statement/balance sheet for February 2019 was approved. Operating expenses for the month were on plan, with a positive operating margin for February. The board reviewed a marketing update for the year and the 2019 meters connected by area.

Dan Husted and Lon Peterson presented information related to utility right-of-way necessary to install a gas main pipeline to serve the area northeast of Lake Miliona. The presentation included research done by a real estate specialist for Pemberton Law.

NRECA: A video conference was held with representatives from the National Rural Electric Cooperative Association (NRECA) to learn more about the NRECA RS Plan.

LREC Board Chair Charles Kvarn and Board Member Earl Rydell highlighted the general session meetings and breakout session they attended at NRECA's Annual Meeting.