

## November 2019 Board Meeting Summary

The Lake Region Electric Cooperative (LREC) Board of Directors met at 9 a.m. on Tuesday, November 26, 2019 at the cooperative headquarters in Pelican Rapids, MN. The Board of Directors approved the minutes of the October 31, 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 new Schuster Lake transmission substation will be complete by the end of the week. The substation was completed with no noted safety incidents during the construction period. Thompson also mentioned how LREC's 2019 member satisfaction survey score increased to 8.9.

The new member welcome packet was reviewed with the board. The cooperative will send these packets out to new members.

**2020 Budget:** Based on last month's discussion, revisions were made and presented to the board. There was good discussion with the board and staff on vegetation management (spraying/tree trimming), succession planning, cash position, and reduced debt. Board members approved the 2020 Budget as presented.

**Financial Report:** October 2019 financials were approved as presented. Revenue for the month was ahead of budget. Power cost and controllable expenses for the month were over budget. The hybrid project generated 863,135 kWh from wind production and 23,550 kWh from solar production.

**Lake Region Energy Services:** The income statement/balance sheet for October 2019 was approved. Operating expenses for the month were on plan. The board reviewed the 2019 natural gas income statement forecast.

After reviewing next year's budget, the 2020 Natural Gas Budget was approved.

**Great River Energy (GRE):** Board Member Denny Tollefson reported on GRE's most recent board meeting. He shared with the board the questions and his answers from GRE for input to the development of the next strategic planning.

CEO Tim Thompson reported on the member managers meeting. Work continues to be done on the rate re-design. Rates will not be effective until January 2022. Also discussed was the energy storage project, legislative front, concerns from employees working at Coal Creek Station, and the movement to get carbon free by 2050.