

May 2019 Board Meeting Summary

The Lake Region Electric Cooperative (LREC) Board of Directors met at 8 a.m. on Thursday, May 30, 2019 at the cooperative headquarters in Pelican Rapids, MN. The Board of Directors approved the minutes of the April 25, 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 started off the meeting with a legislative update. The House passed a retirement bill that would save co-ops more than \$30 million a year in pension insurance premiums paid to the federal government. The Governor is due to sign a legislative bill that gives 12 years property tax abatement for natural gas. This applies to counties outside the metro areas.

A CoBank strategic planning board session will be held June 24 and 25 at Lake Region Electric Cooperative.

The board viewed a video produced by GE that features Pelican Rapids, the hybrid site, and the surrounding area.

Financial Report: April 2019 financials were approved as presented. Revenue for the month was ahead of budget. It was noted that the average temperature in April 2019 was eight degrees warmer than in 2018. Power cost for April was slightly over budget. Year-to-date power costs account for 64 percent of total expenses.

Annual Meeting: Thompson provided the board with a slide from his annual meeting presentation that shows the 2018 financial results with the electric and natural gas financials consolidated. He highlighted the financial accomplishments of LREC and then showed the LRES side of the financials.

For the first time, Lake Region will live stream its annual meeting this year. Attorney Felstul will give a brief presentation of the proposed bylaw changes. It was also mentioned that a reorganizational meeting will be held prior to the start of the June 27 board meeting.

Legal: The board approved the attorney's annual retainer for a one-year term. Board members then reviewed *Policy 104 – Conflict of Interest – Certification/Disclosure Form* and signed off on the disclosure form.

Lake Region Energy Services: The income statement/balance sheet for April 2019 was approved. Operating expenses for the month were on plan. The year-end forecast is showing a positive margin.

Great River Energy (GRE): Board Members Ken Hendrickx and Denny Tollefson reported on GRE's most recent board meeting. Tollefson will be on the transmission committee as he starts his one-year term as LREC's seat on the GRE Board of Directors.