

January 2022 Board Meeting Summary

The Lake Region Electric Cooperative (LREC) Board of Directors convened at 8:00 a.m. on Thursday January 27, 2022, at the cooperative's headquarters in Pelican Rapids, Minnesota. The Board of Directors approved the minutes of the December 21, 2021 board meeting. Approval was also given to the consent agenda items of expense reports, new memberships, capital credit retirements to estates, disbursements and legal bills.

CEO Report: CEO Tim Thompson reported that the overall member satisfaction is 8.9 out of 10. LRES had a strong finish in 2021 and now has 1,000 customers. Long time board goal of 45% equity was met and rate stability continues. Reported that dual fuel rate has not changed for approximately 14 years. Discussed LREC succession plan and attracting quality employees and indicated that approximately 65% of current LREC employees have been hired since 2012. Discussed concept of effective board room decision making model.

Financial Report: The December 2021 financials were approved the board as presented. The board approved the LREC quarterly write-offs as presented.

On-bill financing: Dylan Aafedt presented expansion of on-bill financing. Board approved to proceed with on-bill financing as presented. and Candace Rastedt presented on topics, feedback and interaction resulting from VMAC.

Policies: The board approved changes to Policy 205—Board Executive Committee; The board reviewed Policy 206—Filling vacancies on the Board; The board reviewed Policy 206A—Suggested Statement of Qualifications for a Director; The board reviewed Policy 207—Policy Formulation, Approval and Review; the Board approved changes to Policy 310—Capital Credits.

Lake Region Energy Services (LRES): The December 2021 financials were approved as presented.