

## July 2021 Board Meeting Summary

The Lake Region Electric Cooperative (LREC) Board of Directors convened at 8:30 a.m. on Thursday, July 29, 2021 at the cooperative headquarters in Pelican Rapids, MN. The Board of Directors approved the minutes of the June 22, 2021 board meeting and July 1, 2021 special 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.

**CEO Report:** CEO Tim Thompson gave a quarterly report highlighting the Cooperative's customer focus, financial focus, employee focus, and board focus. He also reviewed dashboard goals showing LREC reaching its goal in three out of five categories.

Mark Glaess, former CEO of Minnesota Rural Electric Association (MREA), has written a book titled "*The 21<sup>st</sup> Century Electric Cooperative.*" Lake Region Electric Cooperative is mentioned in the book.

Thompson also noted how the GroShed is all set up in front of the headquarters building and is starting to grow produce.

**Engineering & Operations:** Brian Johnson, Paul Bergren, Al Fazio, Josh Haas, and Lucas Bakken shared photos of what the Exacter program/equipment has found with LREC's hardware that is in pre-failure conditions that typical line patrol would not have found. Additional cross training on the equipment with more employees is planned.

**Great River Energy (GRE):** The board unanimously voted to adopt Resolution No. GRE R21-6-4, approving an Asset Purchase Agreement (APA) with Rainbow Energy Center, LLC (REC) and Nexus Line, LLC (NL), pursuant to which GRE agrees to sell Coal Creek Station and related assets to REC and GRE's HVDC system and related assets to NL (the Transaction).

**Financial Report:** June 2021 financials were approved as presented. Monthly revenue was ahead of budget and power cost for the month was over budget. Controllable expenses for June were under budget.

**Lake Region Energy Services:** The income statement/balance sheet for June 2021 was approved. June revenue was behind budget and gas supply cost for the month was just under budget. Controllable expenses came in under budget.

Dylan Aafedt provided an LRES 2021 marketing update for the board. Year-to-date, LRES has added 158 new customers.