

December 2022 Board Meeting Summary

The Lake Region Electric Cooperative (LREC) Board of Directors convened at 8:00 a.m. on Thursday, December 22, 2022, at the cooperative's headquarters in Pelican Rapids, Minnesota. The Board of Directors approved the minutes of the November 22, 2022, 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 on the additional revenue streams generating approximately \$850,000 in 2022. Discussed the January 2023 strategic planning session process that will involve all LREC employees with focus on how LREC employees can transform the experience of LREC members. Reported that irrigation customer meetings will take place on February 16 in Parkers Prairie and February 17 in Perham and that a Member Appreciation Day will take place on June 8 at Glendalough State Park. Thompson will be joining the Rural Electric Management Development Council.

Financial Report: The November 2022 financials were approved as presented, and the board also approved the LREC 2022 4th quarter write-offs. The LREC year-end financials showed that LREC is meeting its goals on equity and margin targets.

Visit from Legislators: Representative Jeff Backer, Representative-Elect Tom Murphy and Senator-Elect Rob Kupec, together with Stacey Fujii of Great River Energy (GRE), attended the board meeting and heard a presentation about LREC and discussed legislative issues that are important to electric cooperatives. The discussion included the proposed 100% clean energy bill being a huge concern for affordability and reliability that is so critical to LREC members. The legislators were encouraged to be flexible when considering new legislation to allow enough time to prove technology necessary for the success of the energy transition and in consideration of all the efforts that Minnesota utilities have done to use cleaner energy sources.

Great River Energy (GRE): Director Mike Brasel provided an update regarding the GRE board of directors. Tim Thompson discussed GRE and transmission, 5% local renewable option being changed to 10% and legislative matters affecting energy transition.

Lake Region Energy Services (LRES): The November 2022 financials were approved as presented.

MISO update: Gordy Pietsch, Priti Patel and Matt Ellis, all of GRE, appeared virtually to provide MISO information and a presentation entitled "Maintaining reliability while evolving the generation fleet".