

**EDITED MINUTES OF BOARD MONTHLY MEETING
ADAMS-COLUMBIA ELECTRIC COOPERATIVE
FRIENDSHIP, WISCONSIN
January 22, 2018**

Call to Order: Chairperson Kendal Nichols called the regular meeting of the Adams-Columbia Electric Cooperative Board of Directors to order at 9:30 am on Monday, January 22, 2018.

Roll Call: Directors Alexander, Becker(Vice-Chairman), Colby, Gibeaut(Secretary), Link, Nichols(Chairman) and Parr(Treasurer). Connolly and Fahey joined via conference call due to winter weather. Employees in attendance for the meeting were CEO Porter and Mohns (Executive Assistant) who served as recording secretary. Other employees in attendance for parts of the meeting were Gessner (Operations Manager), Gatterman (Key Accounts), Kerska (Manager of Member Services), Reuterskiold (Manager of Sales/Services and Transportation), Roberts (Manager of Support Services) and West (CFO).

Invocation/Safety Message: The meeting began with reciting the Pledge of Allegiance followed by Alexander's invocation and Link's safety message on drones and FAA requirements.

Approval of Agenda: The agenda was approved as sent.

Chairman's Report: No report.

CEO's Report: No report.

Director Reports: No report.

Financial Committee Review: Financial Committee Review completed by Alexander, Colby and Parr. Motion by Parr and seconded that the financial review was acceptable. MOTION CARRIED.

Minutes and Consent Items: Motion by Link and seconded to approve the December 20, 2017 board minutes and the Consent Agenda items. MOTION CARRIED.

Board Action Items:

- West and Roberts provided a lengthy review of rate changes and how the difference would affect margins. Motion by Gibeaut and seconded to accept the Rules and Regulations changes and to note in the Rules & Regulations, that in 2019, the irrigation line extension credit will be eliminated. MOTION CARRIED.
- Motion by Parr and seconded to accept the Rate changes noted including the LP2 demand charge from \$21.79 to \$24.00 per kW per month, the change in yard light installation fees and some minor verbiage changes. MOTION CARRIED.
- Motion by Parr and seconded to accept the redlined version of board policy #2-16, Federated Youth Foundation, Inc. MOTION CARRIED.
- Motion by Alexander and seconded to approve the redlined changes to board policy #2-25 Maintenance of Ownership Share in ATC. MOTION CARRIED.

- Motion by Parr and seconded to accept the redlined changes to board policy #2-27 Procedures for voting for ACEC director candidates. MOTION CARRIED.
- Gatterman and West reviewed in depth two economic development loan applications:
 - The board requested a more detailed list of collateral from the applicant and that the interest rate would be 3.5% not the 2% noted on application.
 - Motion by Becker and seconded to approve a \$250,000 loan at 3% interest with 20-year amortization and a five-year balloon with a first lien holder on one of the properties and a second lien holder on the purchasing property pending approval from bank for the loan of \$500,000. MOTION CARRIED.
- Motion by Becker and seconded to accept the board expense vouchers and authorize payment. MOTION CARRIED.

Resolutions: No resolutions.

Departmental Reports: Departmental reports were given by the staff. Porter reported that during his January discussion days at the Wautoma and Pardeeville service centers, no members came by to visit. Porter testified before the Wisconsin Assembly Committee regarding the ROPE tax exemption. Porter also noted he has formed a Riverside Project Team with added staff for overall succession planning of our 30-megawatt investment. Mohns will send the current list of advisory committee members to the directors and the director in the member's district will make a personal phone call to those who are up in the three-year rotation and who also have been on the committee for ten years or more, thanking them for their service and asking if the member can suggest a replacement for the committee.

Kerska was asked to give an update in February on the current economic development loans and the dollars available for 2018.

Becker noted that Grassroots Strategy should be a future strategic planning item.

Calendar:

- The next regular board meeting will be Wednesday, February 21, 2018 at 9:30 am at the Friendship Office.
- The January Operations Safety Meeting are scheduled for the 24 and 25th, no board members will attend either meeting.

Executive Session: Board entered Executive Session at 3:02 PM.

Adjournment: Motion by Parr and seconded to adjourn. MOTION CARRIED. The meeting adjourned at 3:35 pm.

Cheri Gibeaut, Secretary
Board approved on February 21, 2018

**These minutes have been edited to remove any confidential or sensitive information.*

Note: Minutes of the monthly board meeting will not be published until after board approval at the following monthly board meeting.