

EDITED MINUTES OF BOARD MONTHLY MEETING
ADAMS-COLUMBIA ELECTRIC COOPERATIVE
FRIENDSHIP, WISCONSIN
March 21, 2018

Call to Order: Chairperson Kendal Nichols called the regular meeting of the Adams-Columbia Electric Cooperative Board of Directors to order at 9:32 am on Wednesday, March 21, 2018.

Roll Call: Directors Alexander, Becker(Vice-Chairman), Colby, Connolly, Fahey, Gibeaut(Secretary), Link, Nichols(Chairman) and Parr(Treasurer). 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 (Manager-Operations), Kerska (Manager-Member Services), Miller (Manager-Safety), Roberts (Manager-Support Services) and West (CFO). Guests in attendance for sections of the meeting were Attorney Niles Berman of Wheeler, Van Sickle & Anderson and Eric Davidson of Bauman Associates.

Invocation/Safety Message: The meeting began with reciting the Pledge of Allegiance followed by Fahey's invocation and Parr's safety message on emergency procedures to practice when changing your clocks for daylight savings.

Approval of Agenda: The agenda was approved as sent.

Chairman's Report: Nichols and others extended a thank you to J. Huhnstock and Roberts for the recently held member irrigation meetings.

CEO's Report: No report.

Director Reports: Director reports were given by Connolly, Alexander, Fahey and Becker.

Financial Committee Review: Financial Committee Review completed by Becker, Gibeaut and Link. Motion by Gibeaut and seconded that the financial review was acceptable. The financial review will now include West Riverside's investment and Porter's credit card expenses.
MOTION CARRIED.

Minutes and Consent Items: Motion by Parr and seconded to approve the Consent Agenda items. MOTION CARRIED. Discussion held on the February 21, 2018 board meeting minutes re: Link's scholarship motion. Motion by Gibeaut and seconded to accept the minutes with a slight spelling error of ACE's to ACEC's. MOTION CARRIED.

Board Action Items:

- Attorney Niles Berman reviewed the board's fiduciary duty and cooperative governance including several board policies. Berman noted to always keep in mind when making decisions: transparency, member disclosure and respecting cooperative confidentiality. Motion by Parr and seconded to approve board policy #2-23 Code of Ethics/Conflict of Interest removing "*subject to the annual limitation above*", under the gifts section of the policy and approve the review of board policy #2-24 Whistleblower Complaint Procedure & Anti-Retaliation. MOTION CARRIED.

- Eric Davidson reviewed the 2017 Consolidated Financial Statement/Audit, noting professional standards were met in all categories including interviews with Chairman Nichols and employees of the cooperative. The board asked several questions of Davidson. Motion by Link and seconded to accept the 2017 Consolidated Financial Statement/Audit. MOTION CARRIED.
- West presented an economic development loan application. After much discussion, motion by Link and seconded to approve a \$150K from REDLG and \$150K from IRP for the loan, with a second position on an 18.32 parcel with 3.5% interest, a 2-year balloon, 20-year amortization, no option for extension and ACH withdrawal. MOTION CARRIED.
- Motion by Parr and seconded to participate in ATC's Notice of Second Call for Voluntary Additional Capital Contributions in 2018 for \$185,176. MOTION CARRIED.
- Motion by Link and seconded to approve the redlined housekeeping changes of the Rules and Regulations. MOTION CARRIED. Roberts asked the board to amend the date of rate increases effective as of April 6, 2018 rather than April 1, 2018 due to residential billing cycles, board in agreement.
- Motion by Link and seconded to allocate 100% of 2017 margins totaling \$6,227,072. MOTION CARRIED.
- Motion by Parr and seconded to accept the board expense vouchers and authorize payment. MOTION CARRIED.

Executive Session: Board went into executive session with Berman at 11:30 am, breaking for lunch with the ACEC Safety Steering Committee as guests to thank them for their diligence in creating safety awareness. After lunch, executive session resumed and board came out of executive session at 1:15 pm.

Berman reviewed the IRS 990 guidelines and reporting of hours: stating no double counting of hours if you serve on another board, time in actual meetings: excluding meals, receptions or entertainment, travel time to be the actual time to and from the meeting/training. These hours should be estimated in good faith. Berman encouraged West to submit the 990's to Guidestar for member transparency. Berman recommended sending the board meeting agenda to him prior to the board meetings.

Resolutions: No resolutions.

Departmental Reports: Departmental reports were given by the staff. Porter shared the WECA legislative fact sheets/information that will be addressed at the NRECA Legislative Conference in April. Porter also noted the ROPE sales tax exemption passed the WI Senate on a 32-0 vote. Miller reviewed ACEC's evacuation plan, safe areas, and active shooter protocol of Run, Hide and Fight.

Calendar:

- The next regular board meeting will be Wednesday, April 25, 2018 at 9:30 am at the Friendship Office.
- Rock Energy Cooperative's 82nd Annual Meeting invitation was noted, no board attendees.
- Legal Seminar for Directors & Employees will be held in April, no board attendees.

- Coop Directors Forum sponsored by CN and UW Center for Cooperatives will be held on April 6, 2018 at Central Wisconsin Electric Cooperative: Colby, Connolly and Fahey will attend.
- The April Operations Safety Meetings are scheduled for April 11 & 12th, no board attendees.
- CCD courses: Director Duties and Liabilities & Board Operations and Process will be held in May, no board attendees.
- Gibeaut will attend the CFC Forum 2018 with Connolly and Link.
- Alexander will provide the Invocation and Becker the Safety message at our 31st Annual meeting. The board candidates will have one minute to introduce themselves to the membership. The advisory resolutions will be on a three-minute time limit for presentation and Rules Committee responses.

Adjournment: Motion by Parr and seconded to adjourn. MOTION CARRIED. The meeting adjourned at 3:50 pm.

Cheri Gibeaut, Secretary
Board approved on April 25, 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.