

EDITED MINUTES OF BOARD BUDGET and MONTHLY MEETING
ADAMS-COLUMBIA ELECTRIC COOPERATIVE
FRIENDSHIP, WISCONSIN
February 27, 2019

Call to Order: Chairperson Becker called the regular meeting of the Adams-Columbia Electric Cooperative Board of Directors to order at 9:37 am on Wednesday, February 27, 2019.

Roll Call: Directors Alexander, Becker, Colby, Connolly, Fahey (Secretary), Gibeaut (Vice-Chairperson), Link (Treasurer), Nichols and Vedder. Employees in attendance for the meeting were Interim CEO Kerska and Mohns (Executive Assistant) who served as recording secretary. Other employees in attendance for parts of the meeting were Gessner (Manager-Operations), Phelps (Technology Director), Reuterskiold (Manager-Sales & Transportation), Roberts (Manager-Support Services) and West (CFO). Jerry Schneider, Manager of Marquette Adams Telco joined the meeting mid-morning.

Invocation/Safety Message: The meeting began with reciting the Pledge of Allegiance followed by Alexander's invocation and Becker's safety message on winter driving.

Approval of Agenda: The agenda was approved as sent with an additional topic added: the large-scale solar array on leased farms. Becker noted that Gibeaut will lead the board assessment in executive session and discussion on reporting of hours on the 990.

Chairman's Report: Becker was pleased with the winter storm recovery on February 24 and appreciated the updates from Porter and Gessner. Board noted they would like texts to their phones.

CEO's Report: No report.

Director Reports: Fahey and Reuterskiold are working with a member on load management, Colby's interaction with JC Heating, Connolly's question of where the coop will be in 10-15 years and Vedder regarding member reconnect fees.

Financial Review Committee: The Financial Review was completed by Becker, Colby and Gibeaut. No further review of the financials was necessary.

Minutes and Consent Items: Motion by Gibeaut and seconded to approve the January 30, 2019 Board regular meeting minutes and the consent agenda items, noting one discrepancy in the numbering of check register number noted as "745027" and the correct number is "74507".
MOTION CARRIED.

Board Action Items:

- Motion by Connolly and seconded to table the Board Policy Review of #2-28 and #2-17 until the March meeting. Board would like clarification on Porter's thoughts concerning mailing lists and dissemination thereof. MOTION CARRIED.
- Motion by Link and seconded to discontinue the RenewNow Program. MOTION CARRIED.
- Cost of Service Study (COSS) will be reviewed more in depth at the March meeting. Motion by Connolly and seconded to increase \$1.83 per KW for coincident demand

billed rates and increase \$1.48 per KW for non-coincident demand billed rates (Large Power) due to the 2019 increase in demand charges from Alliant and transmission cost increases. The generation supply cost will be set at .026¢ in Appendix 4 of Rules & Regulations for use in renewable generation rates. MOTION CARRIED. This increase to be effective in April, would move coincident and no control irrigation demand rates from \$24.00 to \$25.83 and \$35.00 to \$36.83 respectively, and non-coincident demand rates from \$19.90 to \$21.38. No other facility charge or energy charge increases are recommended for 2019, though the PCA should be more on the positive side for residential rates. The fourth step in irrigation rate increases may still be necessary in 2020.

- Motion by Gibeaut and seconded that the marketing department is sponsoring the National Potato Council's summer meeting at the silver level of \$1,500, no additional funds necessary. MOTION CARRIED.
- Motion by Gibeaut and seconded to approve the updated changes by Attorney Berman to the bylaws and present to the membership at the annual meeting on May 11, 2019. MOTION CARRIED.
- Vedder led the discussion on the use of agricultural land as leased solar farms and several gave their opinions, so no concise board stand/statement on this issue.
- Becker noted the endorsement letter for his candidacy for the Wisconsin NRECA Board of directors still needs to be done. Gibeaut will draft and send the letter.
- Motion by Fahey and seconded to accept the board expense vouchers and authorize payment. MOTION CARRIED.

Departmental Reports: Guest Jerry Schneider gave an overview of the Telco including ACEC's substation fiber project, noting appreciation for the working relationship.

Departmental reports were given by staff. Kerska noted that the \$5.00 membership fee is planned to be credited to members in batches by cycle starting in May.

West discussed the 10-year financial forecast, internal control documents/audit paperwork and will have options for the allocation of margins at the April board meeting.

2019 Annual Meeting agenda was reviewed and Kerska noted that if any changes suggested for the 2020 meeting to address right away this summer, as planning takes many months.

Lengthy discussion on the Candidate forum agenda/format, with Connolly noting this is a good beginning and Colby suggesting members submit questions on paper to be read by the moderator at the meeting. Becker noted that directors are expected to be at both meetings unless they have a conflict. The board selected three topics and three questions for the breakout session of the Advisory Committee meeting.

Resolutions: Motion by Alexander and seconded to approve an employee's resolution of appreciation for his upcoming retirement. MOTION CARRIED.

Calendar:

- The next board meeting will be Thursday, March 28, 2019 at 9:30 am at the Friendship office.

- Colby will be the voting delegate with Connolly as the alternate for the NRECA Director Election to be held at the WECA Education and Lobby Days. Board will have a donation for the ACRE auction.
- Oconto Electric Cooperative's Annual meeting will be March 30, 2019, no board member will attend.
- WECA Strategic Plan Meeting for District 1 is on April 18 at Central Wisconsin Electric Cooperative, Porter or Kerska will attend for senior staff and Fahey will represent the board. Becker will attend as representing NRECA statewide.
- WECA Legislative Committee Meeting is March 7, 2019, Kerska and Becker will attend.

Executive Session: The board went into executive session at 3:07 pm and came out at 4:30 pm.

Adjournment: Motion by Connolly and seconded to adjourn. MOTION CARRIED. The meeting adjourned at 4:35 pm.

Karen Fahey, Secretary
Board approved on March 28, 2019

***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.