

EDITED MINUTES OF BOARD MONTHLY MEETING
ADAMS-COLUMBIA ELECTRIC COOPERATIVE
FRIENDSHIP, WISCONSIN
March 28, 2019

Call to Order: Chairperson Becker called the regular meeting of the Adams-Columbia Electric Cooperative Board of Directors to order at 9:41 am on Thursday, March 28, 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 CEO Porter and Mohns (Executive Assistant) who served as recording secretary. Other employees in attendance for parts of the meeting were Gessner (Manager-Operations), Hendricksen (Cost Accountant), Pokszyk (Accountant), Reuterskiold (Manager-Sales & Transportation), Roberts (Manager-Support Services) and West (CFO). Invited guests: Eric Davidson of Bauman Associates and Nick Nelson of Power System Engineering were in attendance for portions of the meeting.

Invocation/Safety Message: The meeting began with reciting the Pledge of Allegiance followed by Nichols' invocation and Colby's safety message on Wisconsin having the nation's highest rate of deadly falls among older adults and some prevention tips.

Approval of Agenda: The agenda was approved as sent with additional topic of WECA's Condenser's recent commentary.

Chairman's Report: Becker expressed appreciation to staff for their interaction with legislators at WECA's Education and Lobby Days. The ACRE auction was a huge success.

CEO's Report: No report.

Director Reports: Nichols' expressed his appreciation for the support, cards and flowers on the loss of his mother.

Financial Review Committee: The Financial Review was completed by Link, Nichols and Vedder. No further review of the financials was necessary. The review committee appreciated West explaining the invoice process to them.

Minutes and Consent Items: Motion by Nichols and seconded to approve the February 27, 2019 board meeting minutes and the consent agenda items. MOTION CARRIED.

Board Action Items:

- Eric Davidson, Bauman Associates reviewed the 2018 Audit Report with the board, noting the increase in margins due to several factors including a 7.5% increase in sales. West updated the internal controls report. Board asked several questions of Davidson and the staff. Motion by Colby and seconded to accept the audit report. MOTION CARRIED.
- Lengthy discussion on the Allocations of 2018 margins. Motion by Link and seconded to allocate \$7,028,682, this amount excludes all non-operating margins. MOTION CARRIED. Board requested West to provide a historical allocation of margins for future allocation discussions.

- Motion by Alexander and seconded to contribute \$30,863 to ATC's Notice of Second Call for Voluntary Additional Capital Contributions. MOTION CARRIED.
- Motion by Gibeaut and seconded to accept the redlined Board Policy #2-28 Identity Theft Detection and Prevention including additional changes in keeping with updating *the Cooperative to ACEC*. MOTION CARRIED. After discussion, board policy #2-17 will not be rescinded and will be brought back to the April meeting with several requested additions.
- Motion by Nichols and seconded to accept the board expense vouchers, with two amended vouchers and authorize payment. MOTION CARRIED.
- Motion by Nichols and seconded to accept the January 30, 2019 executive session minutes. MOTION CARRIED.

Departmental Reports: Departmental reports were reviewed.

- Board requested to review the Member Survey questions. The board individually signed letters of need for financial support of Washington Island Electric Cooperative's damage to their infrastructure to our legislators and representatives. West will add idle services to his monthly report. The RESP loans will not need board approval, but a list of loans will be included in monthly reports.
- Nick Nelson, Power System Engineering, provided a review of the COSS (Cost of Service Study). Noting the major goal of a COSS is equity between and within each rate class. No rate changes were necessary currently as the facility charge covers 99% of the fixed costs and the energy charges cover the variable costs. Future rate considerations of solar, net metering, residential demand charge and EV rates were briefly discussed.
- Vedder requested discussion on the IEEE 1547-2018 standard, which deals with the interconnection of DER (Distributed Energy Resources). The standard requires that DER be capable of helping to correct the power factor of the distribution network it is connected to; the standard also expands "ride through" requirements for DER, which have the purpose of maintaining energy production during short problem intervals experienced by the distribution network, so that the supply of electric energy to the customers/members is maintained if possible. Vedder commented on the Reindeer games commentary in the WECA's Condenser newsletter and the board encouraged him to email comments to Dave Hoopman, Steve Freese and copy the board.

Resolutions: No resolutions

Calendar:

- The next board meeting will be Wednesday, April 24, 2019 at 9:30 am at the Friendship office.
- WECA Strategic Plan Meeting for District 1 is on April 18 at Central Wisconsin Electric Cooperative. Porter distributed the summary of WECA's last strategic planning session from 2013. Board offered several topics to address: redistricting, Badger Power requesting a board seat, consideration for WECA to become a member of Cooperative Network, office location including rent or own study and the offering of statewide safety services.
- Fahey will be the CRC voting delegate at the upcoming annual membership meeting on June 30, 2019.

Executive Session: The board went into executive session at 2:40 pm. Board came out of executive session at 3:35 pm.

Adjournment: Motion by Connolly and seconded to adjourn. MOTION CARRIED. The meeting adjourned at 3:40 pm.

Karen Fahey, Secretary
Board approved on April 24, 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.