

IOWA LAKES ELECTRIC COOPERATIVE
Board of Directors Meeting
October 25, 2018

ONLINE MINUTES

The meeting of the Iowa Lakes Electric Cooperative Board of Directors was called to order at 7:00 p.m. by Board Chair Jerry Beck on October 25, 2018 at the Cooperative's service center in Spencer, Iowa. Vice President Pam Caboth assisted in the taking of minutes thereof.

The following directors were present: Bruce Amundson, Jerry Beck, Chad Boysen, David Friedrich, Neal Heldt, Alan Madden, Crystal Pluth, Marc Rush, Trent Will, Dan Winterhof and Roger Williamson. Absent: Craig Deim, Gary Rouse and Mark Tuttle.

President/CEO, Rick Olesen; Senior Vice President of Finance, September Dau; Vice President of Administrative Services, Pam Caboth; Vice President of Customer and Corporate Relations Tresa Hussong; Vice President of Operations and Engineering, Aaron Ruschy; and Cooperative Attorney Scot Bauermeister were present at this meeting.

Board Chair Beck asked if there were any additions to the Board Agenda. Being none, the agenda was approved.

MINUTES

Board Chair Beck asked if there were any changes or corrections to the September 27, 2018, Board of Directors meeting minutes as provided. Being none, the minutes were approved as sent. Board Chair Beck declared the meeting duly organized for the transaction of Cooperative business.

UNFINISHED BUSINESS

Pending Litigation – None

Executive Board Committee Report – Members of the Board's Executive Committee and Attorney Bauermeister provided an update on the Articles and Bylaws review committee meeting held October 12, 2018. Discussion followed.

NEW BUSINESS

Memberships for Approval (Action) – Discussion was held regarding new memberships that were received to date through, and including, the month of September 2018. It was moved and seconded to approve the memberships as presented. Motion carried.

Annual Revolving Loan Fund Policy Review – Board Chair Beck called upon Vice President Hussong to present the annual review of Policy #504 as it concerns Economic Development. Vice President Hussong provided a review of the current policy and provided a history of past, present and recent loan distributions. Discussion followed.

Revolving Loan Fund Application – DTN Enterprises, LLC (Action) – Vice President Hussong presented an application for approval of Revolving Loan Funds for the proposed purchase and renovation of a building in Estherville, Iowa for DTN Enterprises, LLC. Vice President Hussong reviewed the application and project in detail.

Following discussion, it was moved and seconded to approve the application request as presented. Motion carried.

Trade Credit Insurance Discussion – Board Chair Beck called upon Vice President Hussong to provide a presentation on accounts receivable insurance and how it will provide a more comprehensive protection from the Cooperative’s largest accounts with a monthly exposure of \$10,000 or more. Vice President Hussong further explained the Cooperative would receive payment if an account would default, which includes insolvency and slow paying. Vice President Hussong stated they will continue to review the Cooperative’s options and will come back to the Board with a formal request at a later date. Discussion followed.

CoBank Resolution and Incumbency Certificate (Action) – Board Chair Beck called upon Vice President Dau to present a resolution and incumbency certificate needing Board approval to update the Board and Staff titles. Discussion followed.

It was moved and seconded to approve the resolution and incumbency certificate as presented. Motion carried.

AV System Upgrade – President/CEO Olesen provided details on a proposal from AVI Systems, Inc. for an audio-visual upgrade for the headquarters boardroom. President/CEO Olesen explained the new AV system would be capable of voice conferencing, software based conferencing, PC presentations, guest laptop presentation connections, document camera presentations and wireless presentation capability. In addition, the system would be controlled through a wireless touch panel to ensure ease of use. President/CEO explained with these capabilities the Cooperative Directors and staff will have the capability to participate in additional learning opportunities. Discussion followed.

Following discussion, it was moved and seconded to approve the AV system upgrade as presented. Motion carried.

President/CEO Report– President/CEO Olesen reviewed the key strategic initiatives in his report that were not discussed earlier in the meeting. President/CEO Olesen provided additional information on distributed generation related to EV charging stations, power cost control and referred to Vice President Hussong’s report on economic development.

Safety Report - For the reporting period the Cooperative experienced six Incident Reports and four Close Call Reports filed as a result of these reports, one employee injury and five Property Damage Reports. The employee team drove 42,663 accident free miles for the month and have worked 130,973 hours without a lost-time accident.

A general safety meeting was held October 3, 2018. Flu shot vaccinations were offered to all employees. Director Madden attended the meeting. Reports were provided by the staff in attendance. Tim Falk from IAEC provided a health care update and answered questions about the new plan. IAEC Safety Coordinator Matt Pociask provided safety training on Emergency May Day procedures and Pole Top/Basket Rescue.

President/CEO Olesen reviewed the Federated Safety and Loss Prevention Assessment.

President/CEO Olesen reviewed his meeting reports and asked if anyone had additional questions. The reports were provided in advance of the meeting. Discussion followed.

CFO Report – Senior Vice President Dau reviewed the operating reports for the month of August 2018, including the Cooperative’s monthly Form 7. A copy of this report along with various key operating reports was provided to each Director in advance of the meeting.

G&T/Staff Reports

Corn Belt Power Cooperative – Board Chair Beck provided the CBPC report and stated the next meeting is October 26, 2018.

NIPCO – Director Will provided the NIPCO report and stated the next meeting is October 30, 2018.

IAEC – Director Heldt reviewed the IAEC report which was included with the Board information.

Hussong – Vice President Hussong reviewed her monthly report.

Ruschy – Vice President Ruschy reviewed his monthly update.

Caboth – Vice President Caboth provided her monthly update.

Heartland Security Services (HSS) – President/CEO Olesen reviewed the HSS financials and asked if anyone had any questions.

Basin Report – President/CEO Olesen asked if anyone had questions regarding the Basin updates that were included in the Director packet.

MISCELLANEOUS

Board Chair Beck reminded everyone in attendance that the next regularly scheduled Board of Directors meeting would be held on **Tuesday November 20, 2018** at the Cooperative's headquarters in Estherville, Iowa starting at **10:00 a.m.** with the legislative breakfast starting at 9:00 a.m.

Board Chair Beck requested that any miscellaneous items be brought before the Board of Directors for discussion and attention at this time.

Board Treasurer Madden reviewed the journal of checks issued for the month of September 2018 prior to the meeting.

Board Treasurer Madden and Board Secretary Will reviewed President/CEO Olesen's expenses for the month of September 2018.

Board Treasurer Madden and Board Secretary Will reviewed and approved the director per diem forms for the month of October 2018.

ADJOURNMENT

There being no further business to be brought before the Board of Directors, it was moved and seconded to adjourn. Motion carried.

Notice – Summary Version of ILEC Board Minutes

The text appearing in these minutes was produced from the Board copy of the official meeting minutes. The official meeting minutes are maintained and stored at the Estherville, Iowa headquarters office of the Cooperative.

Every effort has been made to ensure the integrity of these minutes and the online summary provided is not to be considered the "official text" of the Cooperative's Board of Director's meeting and may contain differences to the approved "official text".

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