



COOPERATIVE LIGHT & POWER
ANNUAL REPORT
2020 IN REVIEW

YOUR CLP BOARD OF DIRECTORS



District #1
Pat Schmieder
President



District #2
Scott Veitenheimer
Treasurer



District #3
Gregory Lien
Vice-President



District #4
Alis Stevens
Secretary



District #5
Vacant Seat

YOUR CLP MANAGEMENT TEAM

Hal Halpern, Chief Executive Officer
Carey Hogenson, Marketing Manager
Ken Jones, Member Services Manager
Kevin Olson, Telecommunications Manager
Larry Sandretsky, Operations Manager
Sue Schmitz, Office Manager

YOUR CLP EMPLOYEES

Kristin Bark, Brian Bentler, Sherry Fabini,
Rick Heath, Tim Horgan, Mike Johnson,
Shannon Klinker, Haley Krull, Jeff McGregor,
Chris Nyberg, Chase Peterson, Kathy Ronning,
Vince Udenberg, and Alexi Warnecke

YOUR CLP CONSULTANTS

Attorneys: Jeffery Dobberpuhl and
Pemberton Law, PLLP
Engineers: Star Energy
Auditors: Esterbrooks, Scott, Signorelli,
Peterson, Smithson, Ltd.

CLP ANNUAL MEETING AGENDA

Wednesday, May 19, 2021
Lake County Fairgrounds
1381 Fairgrounds Road, Two Harbors

5:00 pm to 5:50 pm: Registration is open for the CLP Annual Meeting.

***Meeting will be held as a drive-in and broadcast on an FM radio station, tune in on your car radio. Station will be announced at registration.**

***Please remain in your vehicle throughout the meeting, only exiting your vehicle if you wish to use the microphone during the question and answer time.**

6:00 pm: Business meeting begins:

Call to Order: Pat Schmieder, President

Pledge of Allegiance

National Anthem

Notice of Meeting: Alis Stevens, Secretary

District #3, #4, & #5 Board Nominee Introductions

Financial Report: Pat Schmieder, President

Manager's Report: Hal Halpern, CLP CEO

Election Results

Old Business

New Business

Business Meeting Adjournment

Prize Drawings at close of business meeting

CLP MISSION (WHAT WE DO):

CLP DELIVERS SAFE, RELIABLE, AFFORDABLE ENERGY AND INNOVATIVE SERVICES TO OUR MEMBERS WHILE ENHANCING THE VITALITY OF OUR COMMUNITY

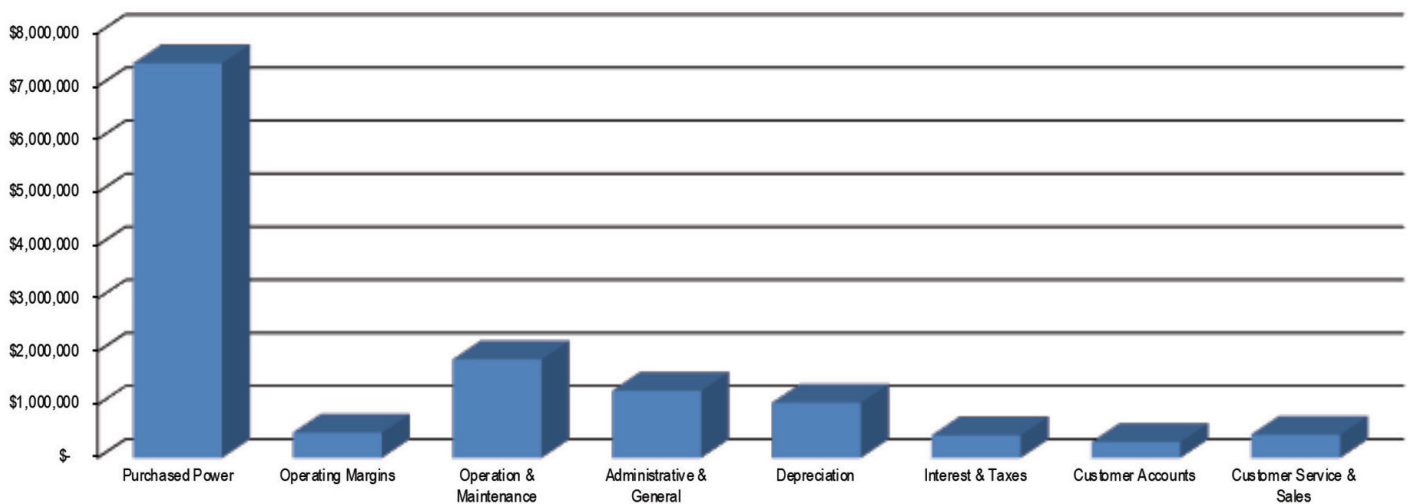
CLP VISION (WHAT WE WANT TO BECOME):

WE ASPIRE TO BE THE FORCE THAT EMPOWERS OPPORTUNITIES FOR THE BENEFIT OF OUR MEMBERS AND COMMUNITY

YOUR CLP COMPARATIVE INCOME & EXPENSE STATEMENT

	2020	2019
OPERATING REVENUES	\$ 13,190,045	\$ 12,919,640
OPERATING EXPENSES		
Purchased Power	\$ 7,429,357	\$ 7,549,248
Distribution - Operation	\$ 885,245	\$ 730,182
Distribution - Maintenance	\$ 964,040	\$ 949,080
Customer Accounts	\$ 293,728	\$ 258,116
Customer Service & Sales	\$ 430,473	\$ 474,693
Administrative and General	\$ 1,260,757	\$ 1,223,560
Depreciation and Amortization	\$ 1,035,588	\$ 1,024,730
Other Deducts	\$ -	\$ -
Total Operating Expenses	\$ 12,299,188	\$ 12,209,609
OPERATING MARGINS BEFORE FIXED CHARGES	\$ 890,857	\$ 710,031
INTEREST ON OTHER DEBT	\$ 864	\$ 1,360
INTEREST ON LONG TERM DEBT	\$ 419,255	\$ 484,244
OPERATING MARGINS AFTER FIXED CHARGES	\$ 470,738	\$ 224,427
GENERATION & TRANSMISSION COOPERATIVE CAPITAL CREDITS	\$ 184,419	\$ 219,368
OTHER CAPITAL CREDITS	\$ 19,647	\$ 20,602
	\$ 204,066	\$ 239,970
NET OPERATING MARGINS	\$ 674,804	\$ 464,397
NON-OPERATING MARGINS	\$ 4,671	\$ 5,365
NET MARGINS	\$ 679,475	\$ 469,762

HOW YOUR CLP DOLLARS WERE SPENT IN 2020



YOUR EIGHTY-THIRD ANNUAL MEETING MINUTES

The Eighty-Third Annual Meeting of The Cooperative Light & Power Association of Lake County was held at the Two Harbors Fairgrounds in Two Harbors, Minnesota, on Thursday, September 9, 2020. Peggy Kuettel, President of the Association, called the meeting to order at 6:00 p.m.

As reported by the Board Secretary Alis Stevens, there were 158 members registered at the time the meeting was called to order. There was a quorum present.

Marketing Director Carey Hogenson, welcomed all the members and reviewed the rules of the meeting, including all social distancing rules that would be enforced.

President Kuettel welcomed the member-owners. President Kuettel shared with the membership that the meeting would follow the agenda included in the Annual Meeting Report. A survey was also included with the Annual Report; members were asked to return it to the office.

President Kuettel reviewed all the social distancing rules with the members. They were instructed that when making a motion, and a second, President Kuettel would ask for a horn honk. Members were asked to hold their questions until the end of the meeting. Members were instructed which microphones were to be used for questions, and to comply with social distancing rules.

Secretary Alis Stevens read the Notice of Publication and certified that it had correctly been published in The North Shore Journal.

President Kuettel introduced the Board of Directors of the Cooperative to the members.

President Kuettel declared a motion was in order to dispense with the

roll call of members because all had previously registered, and their registration had been verified. A motion was made and seconded to dispense with the roll call. Motion carried.

President Kuettel declared a motion was in order to dispense with the reading of the minutes of the Eighty-Second Annual Meeting held April 17, 2019. A motion was made and seconded to dispense with the reading of the minutes. Motion carried.

A motion was made and seconded to dispense with the reading of the Financial Report. Motion carried.

Nominations and voting for the directors were announced. The District 1 Director's 3-year term expired at the meeting. Two candidates were nominated for District 1 at a Nominating Meeting held March 9, 2020, at North Star Townhall. The nominees were incumbent Director Peggy Kuettel and Patricia Schmieder. Secretary Stevens reported that Director Kuettel had since removed her nomination for District 1.

Secretary Stevens asked for any nominations from the floor. There were none.

Secretary Stevens asked for a motion and a second for Patricia Schmieder's nomination. There was a motion and a second. There being no further nominations, Patricia Schmieder was elected to represent District 1 by acclamation (car horn honks). Motion carried.

President Kuettel addressed and thanked Cooperative Light & Power and its members for allowing and trusting her to represent them for so many enjoyable years on the cooperative's Board of Directors. She said that it had been an amazing

experience working with amazing people.

Director Schmieder addressed the membership and thanked them for coming to this unique meeting, and for allowing her to represent them as a Cooperative Light & Power Director. She also thanked Peggy Kuettel for all her years of dedicated service to Cooperative Light & Power. She talked about the last year and a half she spent getting a much better understanding of how Cooperative Light & Power and our power supplier Great River Energy (GRE) operate. She said she will work to make this cooperative more transparent and will continue to educate herself on all its workings.

CEO Hal Halpern addressed the membership on what a trailblazer Peggy Kuettel had been for Cooperative Light & Power, and that she would be very missed. He also presented retiring Director Kuettel with a plaque for all her years of dedicated service on the Cooperative Light & Power Board of Directors.

President Kuettel called upon Cooperative Light & Power's CEO Hal Halpern. Halpern thanked the membership for coming today and participating in our first-ever drive-in Annual Meeting. CEO Hal Halpern then presented the Manager's Report.

After the Manager's Report, CEO Halpern announced that the Operation-Round-Up Board had met that morning and decided on the grants given to people in our community. Once the grants were approved at the board meeting the following week, the checks were to be mailed out.

President Kuettel asked if there was any Old Business? There was none.

President Kuettel informed the

YOUR EIGHTY-THIRD ANNUAL MEETING MINUTES CONTINUED

membership that the meeting was open for questions. President Kuettel then went over the rules for asking questions to maintain social distancing, and described where the microphones were placed and how to use them. She informed members of the time allowed for each question and requested that the questioners state their name, and their Cooperative Light & Power district.

Mary Hennessy (District 1) asked a question about the use of chemicals under the powerlines. She had a very large right-of-way area sprayed with chemicals that included some with MSDS sheets saying they should not be used around water. She expressed her concerns that their use in her lake area did not seem consistent with environmental sustainability. She'd read in Board minutes there might be a committee being formed on right-of-way issues and she volunteered to be on it. CEO Halpern addressed her question saying any chemicals being used will be reduced by at least 5% per year. Halpern said he would like to address the issue in more detail after the meeting. He said he'd post the plan online and in the newsletter, and offered to talk to her after the meeting.

Robert Skogen (District 3) had a question on power cost adjustment (PCA). CEO Halpern addressed the question saying the PCA can fluctuate based on changing rates from our power supplier (GRE) that occur every month. The PCA is used to offset our cost. The Cooperative has kept the PCA the same for about 15 months for consistency to our members, but that could change as needed in the future.

Robert Skogen (District 3) asked why the Cooperative was changing the language of the By-Laws? He said that it looks like we are following the homosexual trend and eliminating any male or female reference? Jeff Dobberpuhl, the Cooperative's attorney, addressed the question saying the By-Laws were mostly changed to be gender neutral about 10 to 12 years ago, following the trend of gender neutral legal writing since the 1980's. The new changes were only to correct a couple places that had been missed when earlier changes were made.

Robert Skogen (District 3) commented that he's looking for the lower billing rates for cheaper

electric power from the cheaper natural power. CEO Halpern said he believed he was talking about the new contracts that should lower our power costs in the 2022 to 2023 time period. But the infrastructure costs for materials, employee costs, health care and other kind of costs will not be less. Halpern said we have a responsibility to keep rates low and we will do that for as long as we can.

CEO Halpern asked if there were any other questions. There were none.

President Kuettel asked if there was any other New Business? There was none.

Before asking for a motion to adjourn, President Kuettel reminded everyone that the drawing for prizes would follow under the direction of Carey Hogenson, Marketing Director.

President Kuettel asked for a motion and a second to adjourn the meeting. A motion was made and seconded to adjourn the Eighty-Third Annual Meeting of Cooperative Light & Power. Motion carried.

Drawing for prizes followed the meeting.

CLP BY THE NUMBERS - AS OF DECEMBER 31, 2020

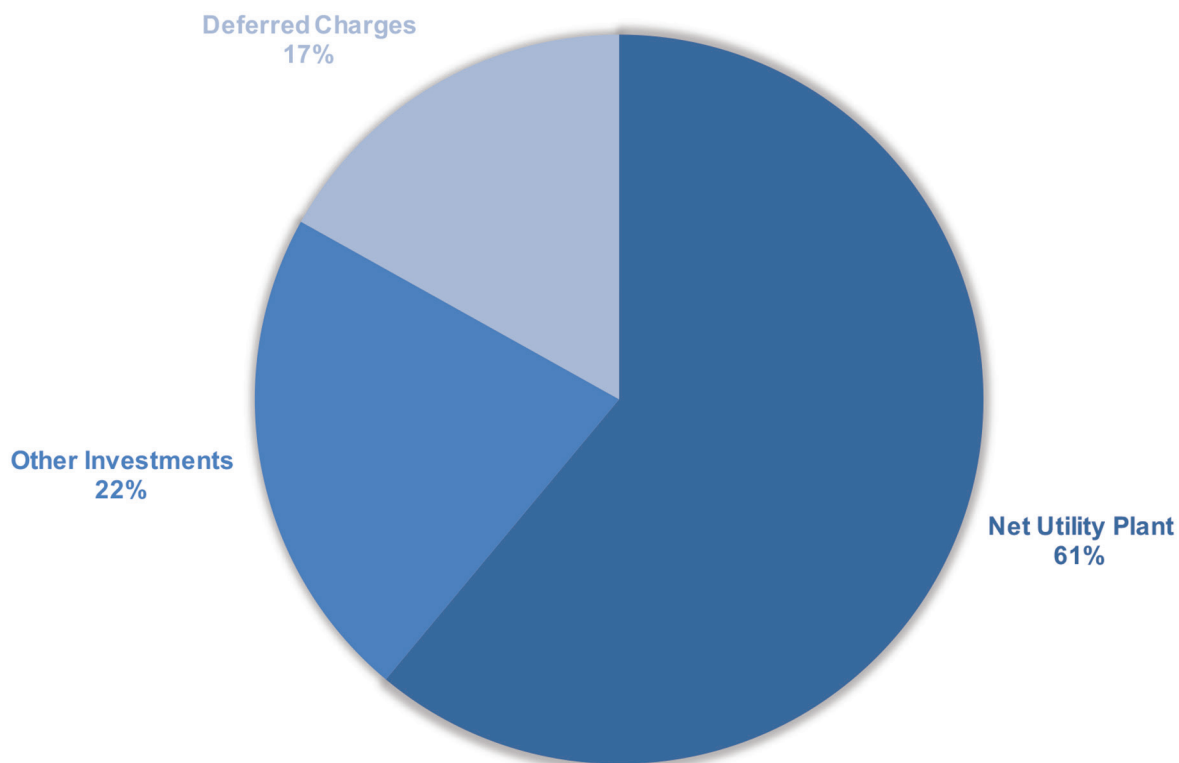
- ✦ **Average number of consumers served residential/seasonal in 2020: 5,660**
- ✦ **Average number of consumers served commercial in 2020: 573**
- ✦ **Average number of consumers served large power in 2020: 23**
- ✦ **Number of employees: 23**
- ✦ **Number of total hours worked: 44,205**
- ✦ **Number of miles of overhead line: 550.8**
- ✦ **Number of miles of underground line: 459.8**
- ✦ **Number of miles of line installed and/or replaced in 2020: 8**
- ✦ **Number of co-generators and small power producers interconnected with CLP: 43**
- ✦ **Kilowatt Hours sold in 2020: 99,126,659**

YOUR COMPARATIVE BALANCE SHEET: DECEMBER 31, 2020 & 2019

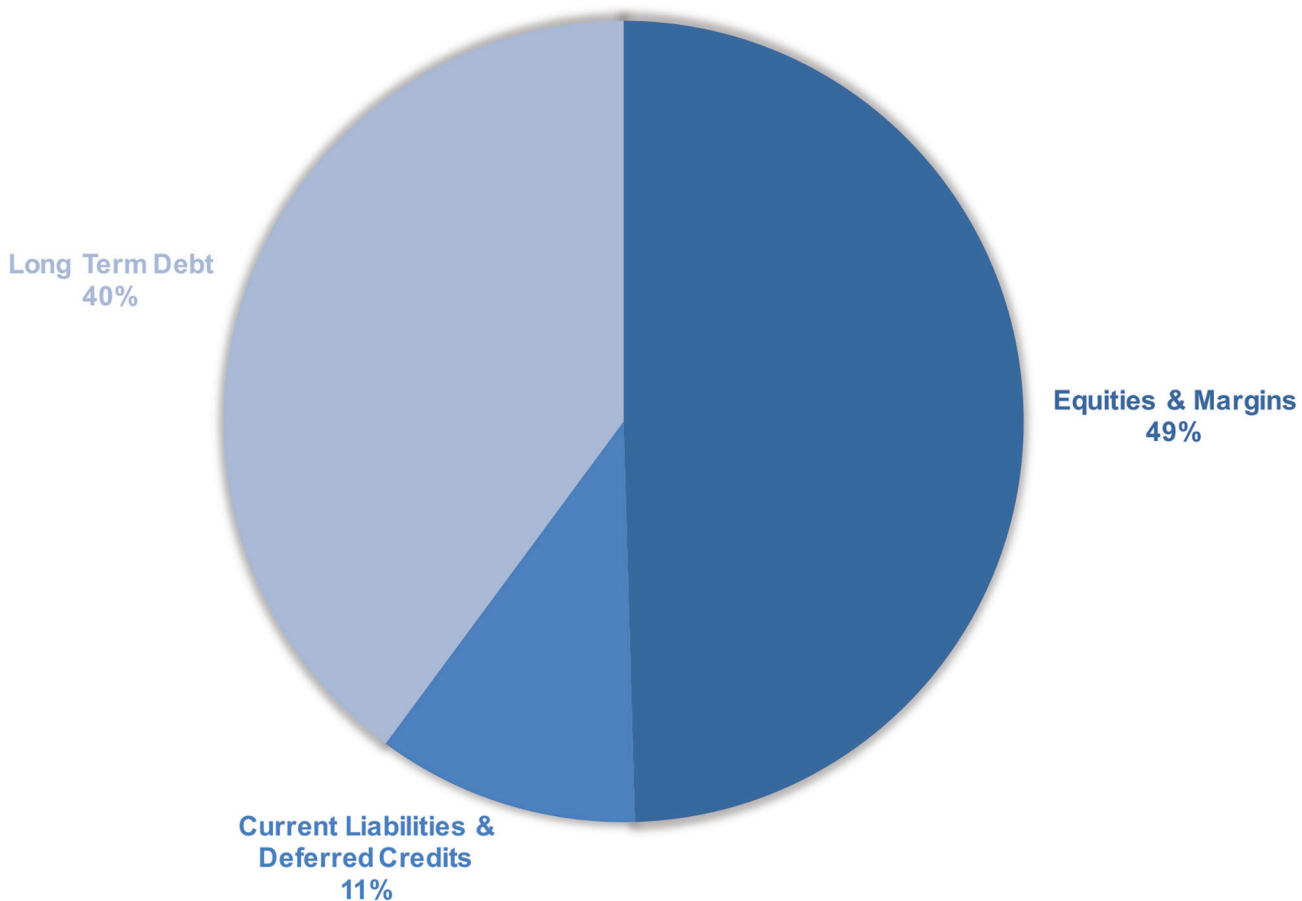
	2020	2019
ASSETS		
Electric Plant	\$ 37,467,490	\$ 36,872,386
Under Construction	\$ 736,427	\$ 419,120
Total Electric Plant	\$ 38,203,917	\$ 37,291,506
Less Accumulated Depreciation	\$ 18,974,210	\$ 17,838,757
Net Electric Plant	\$ 19,229,707	\$ 19,452,749
OTHER ASSETS AND INVESTMENTS:		
Investments in Associated Organizations	\$ 6,837,759	\$ 6,747,661
Revolving Loan Fund - Rural Economic Development	\$ 148,996	\$ 151,395
Other Investments	\$ 75,000	\$ 95,000
Energy Conservation Loans	\$ -	\$ -
Cash In Revolving Loan Fund - Restricted	\$ 101,755	\$ 94,935
Facility Charges Receivable - Long-Term	\$ -	\$ -
Deferred Compensation Reserve	\$ -	\$ -
Total Investments	\$ 7,163,510	\$ 7,088,991
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 2,090,535	\$ 1,345,441
Accounts Receivable - Energy	\$ 1,449,982	\$ 1,447,151
Accounts Receivable - Other	\$ 342,937	\$ 116,580
Materials & Supplies	\$ 318,482	\$ 323,380
Prepayments and Other Current Assets	\$ 49,326	\$ 31,906
Current Maturities - Contract Receivable	\$ 8,957	\$ 8,718
Total Current Assets	\$ 4,260,219	\$ 3,273,176
DEFERRED DEBITS	\$ 840,036	\$ 1,040,794
TOTAL ASSETS	\$ 31,493,472	\$ 30,855,710
MEMBERS' EQUITY		
Memberships	\$ -	\$ -
Patronage Capital	\$ 14,191,338	\$ 13,963,078
Other Equities	\$ 1,411,765	\$ 1,380,478
Total Members' Equity	\$ 15,603,103	\$ 15,343,556
LONG TERM DEBT		
RUS Mortgage Notes	\$ 9,919,964	\$ 10,903,006
NRUCFC & Co-Bank Mortgage Notes	\$ 4,185,430	\$ 4,521,893
GRE Mortgage - Substations	\$ -	\$ -
Other	\$ 133,044	\$ 133,044
Total	\$ 14,238,438	\$ 15,557,943
Less - Advance payments unapplied	\$ 1,052,348	\$ 2,863,979
Less - Current Maturities	\$ 631,994	\$ 668,337
Total Long-Term Debt	\$ 12,554,096	\$ 12,025,627
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 631,994	\$ 668,337
CFC/Co-Bank-Line of Credit Payable	\$ -	\$ -
Accounts Payable - Purchased Power	\$ 1,382,951	\$ 1,427,788
Accounts Payable - Other	\$ 100,395	\$ 162,198
Customer Deposits	\$ 60,316	\$ 55,604
Taxes Accrued	\$ 194,108	\$ 194,604
Other Current and Accrued Liabilities	\$ 779,678	\$ 751,226
Total	\$ 3,149,442	\$ 3,259,757
DEFERRED CREDITS	\$ 186,831	\$ 226,770
TOTAL MEMBERS' EQUITY AND LIABILITIES	\$ 31,493,472	\$ 30,855,710

YOUR CLP 2020 YEAR END BALANCE SHEET

ASSETS



LIABILITIES & MARGINS



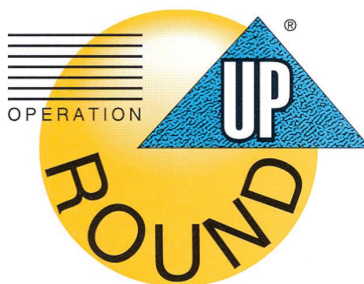
OPERATION ROUNDUP COMMUNITY TRUST GRANT DISTRIBUTION

Do you belong to CLP's Operation Round-Up program? If your answer is "YES," CLP thanks you, and your community thanks you! Because of your generosity, The Operation Round-Up Board was able to give \$43,598 to organizations in our community during its last two grant distributions. If your answer is "What is Operation Round-Up," Operation Round-Up is a voluntary program that automatically rounds up your electric bill to the nearest dollar amount. Those pennies raised go into a Community Trust that is distributed to worthy community organizations twice a year. If your answer is "NO," and you would like to start having your electric bill rounded up to the nearest dollar, please contact our billing department at 218.834.2226 or 800.580.5881, and they will be happy to get you enrolled in the program.

The Cooperative Light & Power of Lake County Community Trust Board of Directors meets biannually to distribute funds raised through Operation Round-Up. The board comprises five directors, one director from each of Cooperative Light & Power's dis-

tricts. Directors are Raymond Barnes, Bonnie Peterson, Ellen Johnson, Tim Anderson, and Lori Walewski.

Since our last Annual Meeting, the Operation Round-Up Board awarded grants to the following local non-profit organizations, American Heritage Girls MN 2931, Two Harbors



Girls Softball, Finland Fire Department, Minnehaha School Music Department, ISD 381 Community Education, Lake Superior Sustainable Farming Association, Two Harbors Community Radio, Lakeview Hospital and Clinic, Two Harbors Youth Hockey, Two Harbors Police Department, Friends of the Bandshell Park, Two Harbors Baseball, Silver

Bay Police Department, Western Lake Superior Habitat for Humanity, North Star Township Fire and EMS, Voyageur Snowmobile Club, Sea Change Expeditions, Brimson Area Volunteer Fire Department, Boy Scouts of America, Tuesday Talents, Faith Lutheran Quilters, Finland Fire Rescue, Lake County Master Gardeners, Knife River Recreation Council, American Legion Post 109, North Shore Collaborative, Minnehaha PBIS, Friends of Finland Community, Friends of the Edna G, North Shore Area Partners, MN Adult and Teen Challenge, City of Two Harbors Heritage Days, Two Harbors Youth Hockey, Finland Historical Society, Knife River Heritage & Culture Center, Western Lake Superior Habitat for Humanity, and the Two Harbors Area Food Shelf.

A few cents here and there may not sound like a lot of money, but it makes a significant impact when you add it all up. Since the inception of Operation Round-Up in 2004, over \$415,000 has been granted to non-profit organizations in our community!

GRANT DISTRIBUTION FOR SEPTEMBER 2020 & MARCH 2021

