

Cooperative Light & Power  
Two Harbors, Minnesota

Regular Meeting of the Board of Directors

1.

A regular meeting of the Cooperative Light & Power (CLP) Association of Lake County Board of Directors was held at the Office of the Association at Fifteen Fifty-Four, Highway Two, on May 24, 2023, with the participation of Scott Veitenheimer, Roger Peterson, Steve Josephson, Kyle Weideman, and Jessica Larsen.

Five directors were present at the time the meeting was called to order at 9:01 am. Also present for the meeting were CEO Joel Janorschke, Business Manager Kevin Olson, Marketing/HR Manager Carey Hogenson, Finance Manager Shannon Haveri, Operations Manager Brian Bentler, Sherry Fabini to take the minutes. Attending by means of video conference were CLP Attorney Chad Felstul and member-owners Gregory Lien and Geoff Tolley.

Present

2.

Scott Veitenheimer asked if there were any additions to the agenda. CEO Joel Janorschke stated that he would like to add member-owner Gregory Lien to the agenda and the Resolution for a one-year extension of the Advance Period on the AF8 Loan.

Additions to  
the Agenda

3.

A motion was made by Roger Peterson and seconded by Kyle Weideman to approve the agenda as modified. Motion passed.

Agenda

4.

A motion was made by Steve Josephson and seconded by Jessica Larsen to approve the April 26, 2023, minutes. Motion passed.

April Minutes

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Secretary

<p style="text-align: center;">5.</p> <p>The consent agenda consisting of the following was reviewed. A motion was made by Steve Josephson and seconded by Roger Peterson to accept the Consent Agenda. Motion passed.</p> <ul style="list-style-type: none"> <li>• Applications and Terminations</li> <li>• Monthly Payments</li> <li>• Correspondence</li> </ul> <p>Application for Membership and Termination of Electric Service were presented for consideration.</p> <p><b>NEW SERVICE-2</b></p> <p><b>TRANSFER OF OWNERSHIP-18</b></p> <p><b>TERMINATION OF MEMBERSHIP (Name Change Only)-1</b></p> <p><b>CHANGE OF CLASSIFICATION-1</b></p> <p><b>TERMINATION OF MEMBERSHIP-9</b></p>	<p>Consent Agenda</p> <p>Applications and Terminations</p>
<p style="text-align: center;">6.</p> <p>Member-Owner Gregory Lien addressed the Board regarding redistricting. The Board thanked Mr. Lien for sharing his thoughts and concerns and assured him that they are taking this issue very seriously and making it as fair as possible to all members.</p> <p>Member-Owner Geoff Tolley addressed the Board. He requested a copy of the motion that was passed at the Annual Meeting. Attorney Chad Felstul responded that the resolution is not binding on the Board but provides insight into what some members are thinking regarding redistricting. The Board is taking this into consideration and discussing it at district meetings. It is instructive to the Board but not binding on the Board.</p>	<p>Member-Owners</p>
<p style="text-align: center;">7.</p> <p>The Operating Margin for the month of March was a negative \$37,791 as compared to a budgeted figure of a negative \$36,946 for a negative variance of \$845. Non-Operating Margins-Interest for the month of March was positive \$8,970 as compared to a budgeted figure of positive \$1,640 for a positive variance of \$7,330. Non-Operating Margins-Other for the month of March was a</p>	<p>Financial Report</p> <hr/> <p>Secretary</p>

positive \$1,283 as compared to a budgeted figure of a positive \$2,500 for a negative variance of \$1,217. Other Capital Credits & Patronage for the month of March was a positive \$5,074 as compared to a budgeted figure of a positive \$10,000, for a negative variance of \$4,926. This resulted in a total margin for the month of March of a negative \$22,464 as compared to a budgeted figure of a negative \$22,806 for a positive variance of \$342.

8.

A motion was made by Kyle Weideman and seconded by Steve Josephson to approve the financials. Motion passed.

Financial  
Approval

9.

Business Manager Kevin Olson addressed the Board on the Integrated Vegetation Management (IVM) updates. All is moving forward. The Forrester will evaluate and determine the cycles this summer. The IVM program will start in the fall. Rural Utilities Service (RUS) is offering two new grants under the USDA. The application process will begin in June. The goal for these programs is to reduce carbon emissions from coal. The first grant is Powering Affordable Clean Energy (PACE), and the second grant is Empowering Rural America (New ERA).

Manager  
Reports

Marketing/Communications/HR Manager Carey Hogenson discussed the rate increase and changing the name from Base Fee to Service Availability Charge (SAC). The pancake breakfast discussion was tabled for one more month. Carey discussed different ideas on how to get more input from all members on redistricting.

Member Service Manager Ken Jones attended the Minnesota Safety Council Conference at Mystic Lake where CLP was awarded the Governor's Award of Honor for the second year in a row.

Operations Manager Brian Bentler reported that the bucket truck engine is still being repaired and that three older CLP vehicles were sold at auction recently. CLP's new employee, Evan Sandretsky started on Monday, May 22, 2023, and the crew is now fully staffed. Many applications are coming in for permanent and seasonal service. Greysen Petersen started as summer help again and will be going to electric lineworker school in the fall.

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Secretary

10.

CEO Joel Janorschke provided the following reports to the Board:

- Minnesota Rural Electric Association (MREA) Update
- MN Legislative Update (MREA)
  - a.) Paid Family Leave Bill
    - i. The vote did pass the House 68/62 and the Senate 34/33. This will go on the governor's desk next week. Benefits from the bill will be available January 1, 2026.
- Property Tax on Co-op Distribution Infrastructure
- Load Control Receivers
- Omnibus Cannabis Bill
  - a.) There will be a 10% retail tax on all marijuana sales and in addition a 6.875 on state tax and will become legal on August 1, 2023.
- IJJA State Matching Funds & Technical Assistance to unlock Federal Infrastructure Funding
- Other Matters of Interest
  - a. Attended the 2023 Breakfast for Heroes on May 2<sup>nd</sup> at the American Legion.
  - b. Returned a call to member Bob Smidt. Bob was asking if CLP would be interested in leasing 3-5 acres for a future solar site.
  - c. Carey and Joel attended the William Kelly High School Awards on May 22<sup>nd</sup>.
  - d. Kevin and Carey will be attending the Two Harbors High School Honors Night on May 24<sup>th</sup>.

11.

Scott Veitenheimer presented the GRE Board meeting report from May 3<sup>rd</sup> and May 4<sup>th</sup>. GRE Delegates were approved to attend different meetings for the coming year. Five resolutions were passed:

1. Early acquisition of transmission project materials
2. Auditor selection for 2023 audit
3. Auditor selection for defined contribution retirement plan
4. Amend secured term loan agreement with CoBank
5. A motion was made and seconded and carried to postpone indefinitely the vote for approval of the Rosemont 37-acre property sale.

March financials are good. A positive variance of \$7.4M and

CEO Report

GRE  
Board/MMG  
Meeting

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Secretary

energy sales for March are 3.7% higher than budget and March year-to-date are 1.5% lower than budget.

The GRE wind turbine was hit by lightning in March, destroying critical turbine parts but GRE has determined a path to fix the turbine.

The Discovery Wind project in North Dakota's McClean County is being developed by Apex. Upon completion of the signed land leases, Apex can apply for county permits and then apply to the North Dakota Public Service Commission for final approval.

Moody's affirmed GRE's A3 stable credit rating with a report highlighting GRE's efforts to de-risk the overall business.

Roger Peterson shared his experience at GRE. He reported that the staff is great, driven and the meeting was very efficient. He toured the building and encouraged the other Board members to experience this.

CEO Joel Janorschke went over the Member Mangers Group (MMG) report from GRE.

- Items covered included:
- Rates 101 (Coop Staff via Zoom)
- Financials
- Reviewed the Bipartisan Infrastructure Law (BIL) & Inflation Reduction Act (IRA)
- Reviewed winter load control recap
- Discussed the Member rate design and contract discussion.
- Executive Session regarding Crow Wing Power transition to customer.

12.

A motion was made by Roger Peterson and seconded by Kyle Weideman for Board Policy III-5 Objectives and General Procedures for Committees of the Board as amended. Motion passed.

13.

The April 2023 Annual Meeting Minutes were tabled until the June Board meeting.

Board Policy  
III-5

Annual  
Meeting  
Minutes

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Secretary

<p style="text-align: center;">14.</p> <p>A motion was made by Kyle Weideman and seconded by Jessica Larsen for a Resolution Requesting a One Year Extension of the Advance Period on the AF8 Loan. Roll call vote: Jessica, yes. Kyle, yes. Steve, yes. Roger, yes. Scott, yes. Resolution passed.</p>	<p>Resolution AF8 Loan</p>
<p style="text-align: center;">15.</p> <p>CEO Joel Janorschke asked the Board to go through the Bylaws markup that Kevin sent them and to make sure of any changes they would like to see under the notes. Once the feedback from the District Meetings and all the Board comments have been reviewed adjustments will be made.</p>	<p>Unfinished Business- Review of the Bylaws</p>
<p style="text-align: center;">16.</p> <p>CEO Joel Janorschke shared with the Board the membership forms for MN Rural Electric Political Action Committee (REPAC) and America’s Electric Cooperatives-Political Action Committee (PAC). REPAC is to help provide financial support to statewide legislative candidates. PAC is for NRECA and has the same concept.</p>	<p>REPAC/PAC</p>
<p style="text-align: center;">17.</p> <p>CEO Joel Janorschke discussed ways to lessen the length of the Annual Meeting. Ideas and suggestions were discussed.</p>	<p>Annual Meeting</p>
<p style="text-align: center;">18.</p> <p>At 1:23p.m. a motion was made by Roger Peterson and seconded by Kyle Weideman to go into Executive Session to discuss Crow Wing Power. Motion passed. At the conclusion of the discussion, a motion was made by Roger Peterson and seconded by Kyle Weideman to exit the session at 2:38 p.m. Motion passed.</p>	<p>Executive Session</p>
<p style="text-align: center;">19.</p> <p>The Board discussed the date for the next Board meeting. The date is set for June 28, 2023, at 9:00 a.m.</p>	<p>Next Meeting</p> <hr style="width: 100%; margin-top: 20px;"/> <p style="text-align: right;">Secretary</p>

20.

There being no further business to come before said meeting, adjournment was called for at 2:40 p.m. with a motion from Steve Josephson and a second by Kyle Weideman. Motion carried.

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Steve Josephson, Secretary

CORPORATE SEAL

Adjournment

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Secretary

