

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 January 20, 2021, with the participation of Greg Lien, Alis Stevens, Pat Schmieder, Scott Veitenheimer and Robert Nikolai. The directors attended the meeting by means of video conference to comply with Minnesota Department of Health social distance and meeting guidelines.

All directors were present at the time the meeting was called to order at 9:13 a.m. Also present for all or parts of the meeting were General Manager/CEO Hal Halpern, Office Manager Susan Schmitz, Communications Manager Kevin Olson, Marketing Manager Carey Hogenson, and Member Services Manager Ken Jones.

2.

A motion was made by Alis Stevens and seconded by Robert Nikolai to accept the agenda with no additions. Motion carried.

3.

A motion was made by Scott Veitenheimer and seconded by Pat Schmieder to approve the board meeting minutes from December 16, 2020, with revisions noted. Motion carried.

4.

The Operating Margin for the month of December was a positive of \$64,140 as compared to a budgeted figure on a positive \$23,529 for a positive variance of \$40,611. Non-Operating Margins-Interest for the month of December was \$3959 as compared to a budgeted figure of \$8,264 for a negative variance of \$4,663. Non-Operating Margins-Other for the month of December was a negative \$9,704 as compared to a budgeted figure of a negative \$14,697 for a positive variance of \$4,993. Other Capital Credits & Patronage for the month of December was \$184,419 as compared to a budgeted figure of \$250,000 for a variance of a negative \$65,581. This resulted in a total margin for the month of December of a positive \$242,814 as compared to a budgeted figure of a positive \$267,454 for a negative variance of \$24,640.

5.

During the review of the finances, questions on line loss at substations were discussed. It was decided to look closer to the variation between GRE metering and those to the customers, to identify potential line loss at the substations. More

Present

Agenda

Minutes

Manager's Report

Financial

Secretary

<p>information will be made available by General Manager Hal Halpern at the February board meeting.</p> <p>The procedure to scrutinize the monthly check register was assessed. It was decided to provide General Manager Hal Halpern with expense related questions prior to the meeting to allow ample time to clarify questions and comments.</p> <p>The Board continued discussions on Covid 19 related financial impact loss of revenue due to member-owners' non-payments, drop in commercial usage, and CLP's collection policy and efforts.</p> <p>A motion was made by Robert Nikolai and seconded by Scott Veitenheimer to accept the financial reports. Motion carried.</p> <p style="text-align: center;">6.</p> <p>The consent agenda consisting of the following was reviewed. A motion was made by Scott Veitenheimer and seconded by Robert Nikolai to accept the consent agenda. Motion approved.</p> <ul style="list-style-type: none"> • Applications and Terminations • Monthly Payments • Correspondence <p>Applications for Membership and Termination of Electric Service were presented for consideration.</p> <p>NEW SERVICE 4</p> <p>TRANSFER OF OWNERSHIP 22</p> <p>TERMINATION OF MEMBERSHIP (Name Change Only) 2</p> <p>TRANSFER OF RENTER 0</p> <p>TRANSFER OF SERVICE Class 0</p> <p>TERMINATION OF MEMBERSHIP 25</p> <p>Monthly Payments: The list of expenses was reviewed with some discussions on operating expenses.</p> <p>The following correspondence was included in the consent agenda:</p> <p>A thank you note from Lake County Sex Trafficking Task Force thanking CLP for the donation supporting their efforts of awareness and education.</p> <p>A thank you note from Lake County Salvation Army thanking CLP for their support during the Christmas drive.</p>	<p>Consent Agenda</p> <p>Applications and Terminations</p> <p>Monthly Payments</p> <p>Correspondence</p> <p>LC Sex Trafficking Task Force</p> <p>LC Salvation Army</p> <hr/> <p>Secretary</p>
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<p style="text-align: center;">7.</p> <p>The Board reviewed the proposed Retainer Agreement between CLP and Pemberton Law, outlining terms and conditions, rates and assignments. A motion was made by Pat Schmieder and seconded by Alis Stevens to approve the execution of the agreement. Motion carried.</p>	<p>Pemberton Law</p>
<p style="text-align: center;">8.</p> <p>Discussions ensued regarding the Board’s duties, liabilities and working relations with General Manager Hal Halpern. A sample Delegation of Authority Policy will be included in the February agenda for review and revisions.</p>	<p>Delegation of Authority Policy</p>
<p style="text-align: center;">9.</p> <p>The Board reviewed the final version of the 2021 CLP budget presented on January 18, 2021, amended with decisions from the January meeting. The changes were based on the direction to align the budget with the 2020 Strategic Plan, member owners’ needs, and current financial conditions. A motion was made by Pat Schmieder and seconded by Scott Veitenheimer to approve the budget.</p>	<p>2021 Budget</p>
<p style="text-align: center;">10.</p> <p>Discussions ensued regarding director compensation during special meetings of shorter lengths, i.e., strategic plan meeting, subcommittee meetings, rate negotiations, etc. In the interest of CLP’s and consequently the members’ finances, a motion was made by Alis Stevens and seconded by Robert Nikolai to decrease director compensation by 50% for meetings lasting 1-4 hours. Motion carried. Alis Stevens will provide the Board with a revised policy proposal.</p>	<p>Director Compensation</p>
<p style="text-align: center;">11.</p> <p>The Right of Way (ROW) clearing subcommittee (consisting of Pat Schmieder and Alis Stevens) updated the Board of its efforts to gather information on current processes of planning, notifying, vegetation clearing, and resource allocation. The subcommittee, the respective staff, and a group of member-owners will start working together on potentially improving integrated vegetation management and consequently increasing reliability and environmental stewardship- two main pillars of CLP’s vision and strategic plan.</p>	<p>ROW Clearing Subcommittee</p>
<p style="text-align: center;">12.</p> <p>At 12:11 p.m., a motion was made by Scott Veitenheimer and seconded by Alis Stevens to move the meeting into executive session to discuss broadband and finances. Motion carried.</p>	<p>Executive Session</p> <hr/> <p>Secretary</p>

<p>At 12:34 p.m., a motion was made by Alis Stevens and seconded by Pat Schmieder to exit the executive session. Motion carried.</p> <p style="text-align: center;">13.</p> <p>The CLP staff reported activities in their respective groups and clarified questions.</p> <p>Communication Manager Kevin Olson updated the Board on December-January IT support of personnel transitions. He also presented a joint CLP calendar to the Board for their usage.</p> <p>Marketing Manager Carey Hogenson updated the Board on the successful outcome of the Carey Loving People (CLP) toy drive and the recent initiative of CLP Caring Closets to provide basic hygiene products to school children. The Caring Closets will eventually be extended to all schools of the area. Carey also updated the Board of her preparations for a Spring Clean-Up Day, providing recycling opportunities for the members. Carey will continue updating the Board of the progress on the most current efforts.</p> <p>Member Services Manager Ken Jones reported that generator manufacturer NRG intensified efforts of data collection metering at LP to pinpoint possible problems. The data will be reviewed by a third-party engineering company to assess a potential overloading problem.</p> <p>Ken further updated the Board of the High-Capacity EV forklift set for early March. Chargers and data collectors are already at the plant.</p> <p>General Manager Hal Halpern reported on behalf of Operations Manager Larry Sandretsky the latest outage report and Right-of-Way clearing expenses.</p> <p style="text-align: center;">14.</p> <p>There being no further business to come before said meeting, adjournment was called for at 3:01 p.m. with a motion from Robert Nikolai and seconded by Pat Schmieder. Motion carried.</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">ALIS STEVENS, Secretary</p> <p>CORPORATE SEAL</p>	<p>Staff Reports</p> <p>Communication Manager</p> <p>Marketing Manager</p> <p>Member Services Manager</p> <p>Operations Manager</p> <p>Adjournment</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Secretary</p>
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