

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 October 21, 2020, with the participation of Gregory Lien, Alis Stevens, Pat Schmieder, Scott Veitenheimer and Robert Nikolai. The seating arrangements of the meeting were revised to comply with Minnesota Department of Health guidelines.

Present

All directors were present at the time the meeting was called to order at 9:03 a.m. Also present for all or parts of the meeting were General Manager/CEO Hal Halpern, Office Manager Spring Detlefsen, Communications Manager Kevin Olson and Marketing Manager Carey Hogenson,

2.

A motion was made by Alis Stevens and seconded by Scott Veitenheimer to accept the agenda with revisions to include a resolution to revise the bylaw as approved by member owners during the annual meeting.

Agenda

3.

A motion was made by Scott Veitenheimer and seconded by Pat Schmieder to approve the board meeting minutes from September 17, 2020, with revisions noted. Motion carried.

Minutes

4.

The Operating Margin for the month of August was a positive of \$85,821 as compared to a budgeted figure of a negative \$20,424 for a positive variance of \$106,245. The proceeds of the PPP Loan/Grant for the year total of \$249,959. An additional note in the July financials is that the cost of power reflects a \$85,150 penalty charge for lack of control at the LP generator. This has been billed to NRG. Non-Operating Margins-Interest for the month of August was \$13,990 as compared to a budgeted figure of \$15,074 for a negative variance of \$1,084. Non-Operating Margins-Other for the month of August was a negative \$12,462 as compared to a budgeted figure of a negative \$6,683 for a positive variance of \$5,779. Other Cap Credits & Patronage for the month of August was \$0 as compared to a budgeted figure of \$0 for a negative variance of \$0. This resulted in a total margin for the month of August of a positive \$87,349 as compared to a budgeted figure of a negative \$12,033 for a positive variance of \$99,382.

Manager's Report

Secretary

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| <p>During the review of the finances, discussion continued on capitalization if directly related to a work order and further progress on use of the Payment Protection Plan (PPP) loan.</p> <p>Further the Board went over changes in revenue and usage trends due to the Covid 19 pandemic in August, September and October. Further trends and changes will be assessed through the next months.</p> <p>A motion was made by Scott Veitenheimer and seconded by Alis Stevens to accept the financial reports. Motion carried.</p> <p style="text-align: center;">5.</p> | Financial |
| <p>The consent agenda consisting of the following was reviewed. A motion was made by Scott Veitenheimer and seconded by Alis Stevens to accept the consent agenda. Motion approved.</p> <ul style="list-style-type: none"> • Applications and Terminations • Monthly Payments • Correspondence | Consent Agenda |
| <p>Applications for Membership and Termination of Electric Service were presented for consideration.</p> <p>NEW SERVICES-13</p> <p>TRANSFER OF OWNERSHIP-22</p> <p>TERMINATION OF MEMBERSHIP-38</p> | Applications and Terminations |
| <p>Monthly Payments: The list of expenses was reviewed with some discussions on broadband grants and right of way expenses.</p> | Monthly Payments |
| <p>The following correspondence was included in the consent agenda:</p> | Correspondence |
| <p>Thank you note by Lise Abasz from Northshore Area Partners for the donation to meet the changing needs of older adults in the community</p> | NSAP |
| <p>Thank you note by Honor Schauland from Friends of Finland for the donation to support economic initiatives and implementing social programs.</p> | Friends of Finland |
| <p>Thank you note by Wade LeBlanc from Silver Bay Mariners Athletics for the donation to the Golf Club Scramble</p> | Silver Bay Mariners' Club <hr/> Secretary |

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| <p>Thank you note from Bill and Marlene Huima for CLP's excellent service to member owners.</p> | <p>Bill and Marlene Huima</p> |
| <p style="text-align: center;">6.</p> | |
| <p>The Board discussed the need for, and timeline of, a succession plan for CLP's legal counsel. In order to decide scope and timing of a possible transition, incumbent Jeff Dobberpuhl will be interviewed during the November meeting. Alis Stevens will contact Jeff and schedule time with him to go over his retirement plans, company structure and suggestions on considerations for the next steps.</p> | <p>Legal Counsel Succession</p> |
| <p style="text-align: center;">7.</p> | |
| <p>A preliminary budget was presented to the Board. After some deliberations on strategic focus areas, the board requested to make some adjustments to the budget. A motion was made by Scott Veitenheimer and seconded by Alis Stevens to increase budget areas of right-of-way clearing and spraying, as well as the amount allocated for easement documentation. Motion carried. A more detailed budget will be deliberated on during the November meeting.</p> | <p>Preliminary Budget</p> |
| <p style="text-align: center;">8.</p> | |
| <p>During the September meeting the board directors decided to move forward with a special advisory subcommittee to assess CLP's right of way clearing policies, contractors' associated practices of planning, notifying members and complying with specific regulations and member requests.</p> | <p>Right of Way Advisory Board</p> |
| <p>The subcommittee, consisting of Gregory Lien, Alis Stevens and Pat Schmieder, will start their evaluations with the additional support of CLP staff and contractors. With additional involvement of interested member-owners the group will delineate concern areas and advise the Board on potential changes/enhancements to policies and/or their implementation.</p> | |
| <p style="text-align: center;">9.</p> | |
| <p>At 2:27 p.m. a motion was made by Alis Stevens and seconded by Pat Schmieder to move the meeting to executive session to discuss broadband and finances. Motion carried.</p> | <p>Executive Session</p> |
| <p style="text-align: center;">10.</p> | |
| <p>After review of service areas, finances and CLP's overall broadband strategy, a motion was made by Scott Veitenheimer, seconded by Alis Stevens, to agree with staff recommendations on broadband proposals and not to proceed on a grant funded project. Motion carried.</p> | <p>Communication Manager</p> |
| | <hr style="width: 100%;"/> <p style="text-align: right;">Secretary</p> |

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| <p style="text-align: center;">11.</p> <p>The CLP staff reported activities in their respective groups and clarified questions.</p> <p>Spring Detlefsen walked the board through the capital credit, and GRE's 2021 capital allocation to non-operating budget.</p> <p>Carey Hogenson updated the board on the survey results. The question of 2021 annual meeting is tabled until February until better information on Covid 19 containment is available. Carey continues to work on updates to the CLP website. The new tabs on energy conservation/renewable energy and safety will be launched by end of the year.</p> <p>Carey also started working on the CLP 2021 calendar. Members will actively participate in picture selection. She is also working on putting together a Spring Clean-Up Day for our members, making a paper shredding truck, the Lake County Recycle Trailer and possibly an electronics/appliance recycling drop-off place available for public use.</p> <p>Hal Halpern reported on behalf of Member Services Manager. The EV Tesla car charger is installed. CLP added 72 KW of new Dual Fuel load, split between six members this month. LP was selected to be a free six-month large capacity electric forklift winter demonstration site, supported by GRE and EPRI.</p> <p>Hal Halpern reported on behalf of the Operations Manager that the parking lot repair is now 50% complete. He also updated the Board on outages, new services and RoW expenses.</p> <p style="text-align: center;">12.</p> <p>There being no further business to come before said meeting, adjournment was called for at 4:25 p.m. with a motion from Alis Stevens and a second by Scott Veitenheimer. Motion carried.</p> <hr style="width: 30%; margin: 20px auto;"/> <p style="text-align: center;">ALIS STEVENS, Secretary</p> <p>CORPORATE SEAL</p> | <p>Staff Reports</p> <p>Finance</p> <p>Marketing</p> <p>Member Services Manager</p> <p>Operations</p> <p>Adjournment</p> <hr style="width: 20%; margin: 20px auto;"/> <p style="text-align: center;">Secretary</p> |
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