

Your CLP Employees



Pictured left to right: Brian Bentler, Vince Udenberg, Larry Sandretsky, Chris Nyberg, Ken Jones, Tim Horgan, Rick Heath, Jeff McGregor, Shannon Klinker, Kristin Bark, Alexi Warnecke, Sue Schmitz, Carey Hogenson, Spring Detlefsen, Kathy Ronning, Kevin Olson, and Hal Halpern.

Not pictured are: Mike Johnson, Jean Larson, and Chase Peterson

Your CLP Board of Directors



District #1 Peggy Kuettel President

District #2 Scott Veitenheimer Treasurer



District #3 Gregory Lien Director





District #5 Robert Nikolai Vice-President

Your CLP Management Team



Pictured left to right:
Ken Jones, Member Services Manager
Kevin Olson, Communications Manager
Spring Detlefsen, Office Manager
Carey Hogenson, Marketing Manager
Larry Sandretsky, Operations Manager
Hal Halpern, Chief Executive Officer

Your CLP Consultants

Attorney: Jeffery Dobberpuhl Engineers: Star Energy Auditors: Esterbrooks, Scott, Signorelli, Peterson, Smithson, Ltd.

Your CLP Annual Meeting Agenda

Wednesday, September 9, 2020 Drive-in Annual Meeting Lake County Fairgrounds 1381 Fairgrounds Road, Two Harbors

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

*Meeting will be 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 annual meeting, only exiting your vehicle if you wish to use the microphone during the question and answer period.

6:00 pm:

Business meeting begins:

Call to Order: Peggy Kuettel, President

Pledge of Allegiance

National Anthem

Notice of Meeting: Alis Stevens, Secretary

District #1 Board Nominee Introductions

Financial Report: Peggy Kuettel, President

Manager's Report:

Hal Halpern, CLP CEO/General Manager

Election Results

Old Business

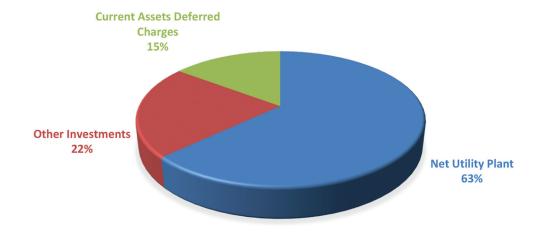
New Business

Business Meeting Adjournment

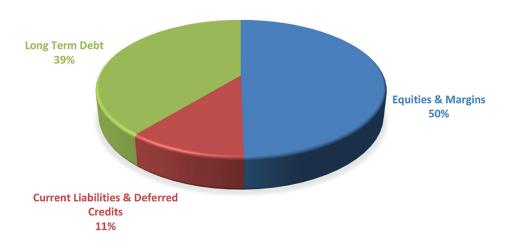
Prize Drawings at close of business meeting

Your CLP 2019 Year End Balance Sheet

ASSETS



LIABILITIES & MARGINS



Your Eighty-Second Annual Meeting Minutes

The Eighty-Second Annual Meeting of The Cooperative Light & Power (CLP) Association of Lake County was held at the Two Harbors High School Auditorium, Two Harbors, Minnesota, on Wednesday, April 17, 2019. A sloppy joe dinner was served prior to the meeting.

Before the Annual Meeting was called to order, it was announced that there was a quorum. Secretary Alis Stevens reported that there were 167 registered members. The meeting was called to order by Board President Peggy Kuettel at 6:17 p.m.

President Kuettel called upon the Color Guard to present our nation's Colors and Erin Fisher to sing The National Anthem.

President Kuettel welcomed the members to the 82nd Annual Meeting. She covered a couple of the rules of the meeting: no smoking in the school and no questions until the discussion period. She explained that there will be a drawing immediately following adjournment and noted that you must be present to win. She also asked the Membership to complete the survey that was included in their packets.

Jeff Dobberpuhl, CLP's Attorney, will act as Parliamentarian of the meeting.

President Kuettel introduced CLP General Manager Hal Halpern; Directors of the Cooperative Light & Power District 1 – Peggy Kuettel; District 2 – Scott Veitenheimer; District 3 – Gregory Lien; District 4 – Alis Stevens; and District 5 – Robert Nikolai; David Ranallo – Great River Energy's Manager of Member Services and Marketing; Lenore Johnson--Cooperative Light & Power of Lake County Community Trust Board of Director; and Steve Wattnem-- former CLP General Manager.

Secretary Alis Stevens read the Notice of the Meeting and Proof of Publication and certified that it had been properly published.

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 to dispense with the reading of the minutes of the Eighty-First Annual Meeting held April 18, 2018, and the 2018 Financial Report because all members had received copies prior to the Annual Meeting in the April 2019 "PowerLines" newsletter and copies were available at the registration desk. A motion was made and seconded to dispense with the reading and approve the 2018 Annual Meeting Minutes and Financial Report. Motion carried.

President Kuettel informed the membership of the retirement of former General Manager Steve Wattnem and about the process the board went through to hire his replacement.

President Kuettel also informed the membership the process the board went through about CLP submitting a bid for Lake Connections.

President Kuettel informed the membership of the retirement of Chris Brelie.

President Kuettel gave an explanation of the Operation Round-Up program and that more than \$383,437 has been shared among many local non-profit organizations since 2004, she then introduced Lenore Johnson to present checks to the Spring 2019 Grant Recipients: North Shore Flag Corporation \$200; Lake County Master Gardeners \$250; Silver Bay Public Library \$300; Friends of the Silver Bay Public Library \$400; Tuesday Talents \$400; Northern Lake County Arts Board

\$400; American Heritage Girls-MN 2931 \$500; Community Partners \$500; Two Harbors High School After Prom \$400; Minnehaha School \$750 to bring Little Loon Opera to the elementary student; Two Harbors Soccer Club \$600; Sea Change Expeditions \$500; Minnehaha School \$750 to purchase instruments for the new Music Adventures Class; Two Harbors Girls Basketball Team \$750; North Shore Collaborative \$1,000; Two Harbors Area Chamber \$800; Two Harbors Community Radio \$1500; Voyageur Art Club and Senior Workshop \$1,500; City of Two Harbors Heritage Days \$2,500; Two Harbors Curling Club \$2,000; Knife River Heritage & Cultural Center \$2,000.

President Kuettel announced at a District No 2 Nominating Meeting held at the Cooperative Light & Power Headquarters on February 21, 2019, Scott Veitenheimer was nominated. A motion was made and seconded to elect Scott Veitenheimer by acclamation. Motion carried. Scott Veitenheimer thanked the membership for giving him the opportunity to serve another three years.

President Kuettel announced at a District No. 5 Nominating Meeting held at the Baptism River Community Church in Finland, MN, on February 25, 2019, Robert Nikolai was nominated. A motion was made and seconded to elect Robert Nikolai by acclamation. Motion carried. Robert Nikolai thanked the membership for giving him the opportunity to serve another three years and announced that this would be his last term.

President Kuettel introduced David Ranallo, Manager of Member Services and Marketing from Great River Energy. He spoke about how we depend on electricity for everyday items that we use such as hot water heaters, refrigerators, coffee makers,

Your Eighty-Second Annual Meeting Minutes

microwaves, garage door openers, computers, cell phones - the list goes on and on- and don't think about how it impacts our everyday lives. He spoke of how technology is always changing and new innovations developing, such as electric vehicles. Electricity is the most stable cost and cleanest fuel in the industry. GRE serves 28 member owned cooperatives with approximately 700,000 consumers. GRE in 2018 retired Stanton Station coal burning power plant in North Dakota and closed Elk River Station. GRE is adding a lot of wind energy; their goal is to be 50% renewable by 2030. Today they receive their wind energy from 5 large wind farms and 21 solar installations throughout the state of Minnesota. He explained how electric vehicles will save money and the positive impact they have on the environment and that by 2023 consumers will have almost 100 electric vehicle options. David presented a check from GRE to Hal and the Board of Directors for \$1,000 to Operation Round-Up.

CEO Hal Halpern presented the Manager's Report. He spoke about

his background growing up in a cooperative, and a summary of his career working and leading electric, fiber optic, broadband and wireless companies. He reported that Coop Light & Power has retired \$6.3 million in Capital Credits to its consumers and how the Coop is currently working on a Strategic Plan that will evaluate different options for the benefit of the members. He informed the membership of the promotions of Carey Hogenson, Marketing Manager; Ken Jones, Member Service Manager; Kathy Ronning, Billing Clerk; and Kristin Bark, Lead Member Services Representative. CLP along with GRE has met the Minnesota 2025 renewable energy requirement eight years early by achieving 25% renewable energy to our members in 2018. Hal went over the 2018 Financials.

Kevin Olson and Carey Hogenson demonstrated the new CLP website.

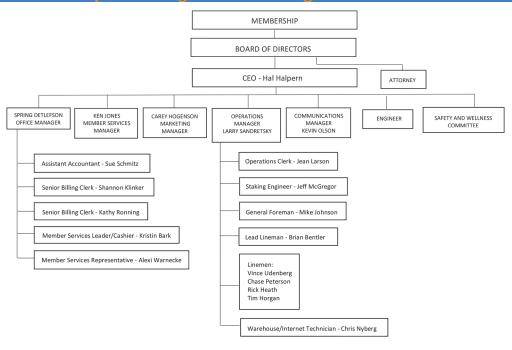
President Kuettel opened the meeting for questions. A question was asked of David Ranallo regarding GRE's strategy to prevent price increases. David explained several

things GRE is doing and what their plan is for the future. Another question was directed to David Ranallo regarding the Revolt Program. David explained how the program worked regarding the renewable energy credits and beneficial electrification. David answered the question regarding GRE's plans of working with car companies to get more EV on the roads. He said there was a bill being presented to the Legislature regarding rebates and that Touchstone Energy has a rebate program. A question arose regarding why we don't publish in the PowerLines newsletter members who bought solar arrays. Carey Hogenson explained that it's a privacy issue and if the member would like it put into the newsletter to contact us and we would be glad to do that but the member has to contact us.

President Kuettel asked if there was any old business; there being none she asked if there was any new business, there was none.

A motion was made and seconded to adjourn the meeting at 7:53 p.m.

Cooperative Light & Power Organizational Chart



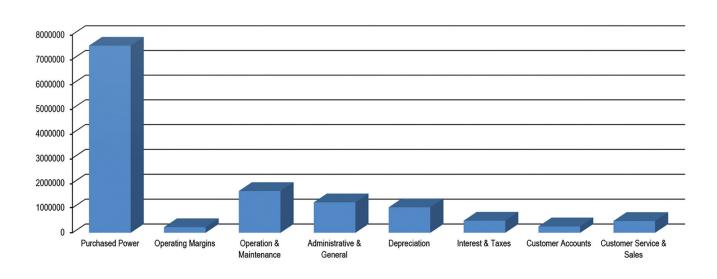
Your Comparative Balance Sheet: December 31, 2019 and 2018

	2019		2018	
ASSETS Electric Plant	\$	36,872,386	\$	35,957,131
Under Construction	\$ \$	419,120	\$ 	460,984
Total Electric Plant	\$	37,291,506	\$	36,418,115
Less Accumulated Depreciation	\$	17,838,757	\$	16,799,312
Net Electric Plant	\$	19,452,749	\$	19,618,803
OTHER ASSETS AND INVESTMENTS:				
Investments in Associated Organizations	\$	6,747,661	\$	7,002,217
Revolving Loan Fund - Rural Economic Development	\$	151,395	\$	160,129
Other Investments	\$	95,000	\$	-
Energy Conservation Loans	\$	94,935	\$	- 81,898
Cash In Revolving Loan Fund - Restricted Facility Charges Receivable - Long-Term	\$ \$	94,930	\$ \$	01,090
Deferred Compensation Reserve	\$	-	\$	_
Total Investments	\$	7,088,991	\$	7,244,244
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CURRENT ASSETS:	c	1 245 444	æ	1 207 011
Cash and Cash Equivalents Accounts Receivable - Energy	\$ \$	1,345,441 1,447,151	\$ \$	1,207,911 1,367,280
Accounts Receivable - Other	\$	116,580	\$	121,889
Materials & Supplies	\$	323,380	\$	363,359
Prepayments and Other Current Assets	\$	31,906	\$	32,972
Current Maturities - Contract Receivable	\$	8,718	\$	8,478
Total Current Assets	\$	3,273,176	\$	3,101,889
DEFERRED DEBITS	\$	1,040,794	\$	1,226,738
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TOTAL ASSETS	\$	30,855,710	\$	31,191,674
MEMBERS' EQUITY				
Memberships	\$	-	\$	-
Patronage Capital Other Equities	\$	13,963,078 1,380,478	\$	13,832,291
Total Members' Equity	<u>\$</u> \$	15,343,556	<u>\$</u> \$	1,355,477 15,187,768
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LONG TERM DEBT	•	40,000,000	•	44 007 050
RUS Mortgage Notes NRUCFC & Co-Bank Mortgage Notes	\$ \$	10,903,006 4,521,893	\$ \$	11,207,353 4,847,273
GRE Mortgage - Substations	\$	-,521,055	\$	-,047,273
Other	\$	133,044	\$	133,044
Total	\$	15,557,943	\$	16,187,670
Less - Advance payments unapplied Less - Current Maturities	\$ \$	2,863,979 668,337	\$ \$	2,725,145 695,585
Total Long-Term Debt	\$	12,025,627	\$	12,766,940
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CURRENT LIABILITIES Current Maturities of Long-Term Debt	\$	668,337	\$	695,585
CFC/Co-Bank-Line of Credit Payable	\$	_	\$	_
Accounts Payable - Purchased Power	\$ \$	1,427,788	э \$	1,221,097
Accounts Payable - Other	\$	162,198	\$	164,029
Customer Deposits	\$	55,604	\$	47,492
Taxes Accrued	\$	194,604	\$	193,932
Other Current and Accrued Liabilities	\$	751,226	\$	789,770
	\$	3,259,757	\$	3,111,905
DEFERRED CREDITS	\$	226,770	\$	125,061
TOTAL MEMBERS' EQUITY AND LIABILITIES	\$	30,855,710	\$	31,191,674

Your CLP Comparative Income & Expense Statement

	2019		2018	
OPERATING REVENUES	\$	12,919,640	\$	12,968,753
OPERATING EXPENSES				
Purchased Power	\$	7,549,248	\$	7,340,805
Distribution - Operation	\$	730,182	\$	863,263
Distribution - Maintenance	\$	949,080	\$	971,777
Customer Accounts	\$	258,116	\$	242,876
Customer Service & Sales	\$	474,693	\$	424,850
Administrative and General	\$	1,223,560	\$	1,227,405
Depreciation and Amortization	\$	1,024,730	\$	998,901
Other Deducts	\$	-	\$	-
Total Operating Expenses	\$	12,209,609	\$	12,069,877
OPERATING MARGINS BEFORE FIXED CHARGES	\$	710,031	\$	898,876
INTEREST ON OTHER DEBT	\$	1,360	\$	588
INTEREST ON LONG TERM DEBT	\$	484,244	\$	471,038
OPERATING MARGINS AFTER FIXED CHARGES	\$	224,427	\$	427,250
GENERATION & TRANSMISSION COOPERATIVE CAPITAL CREDITS	\$	219,368	\$	203,652
OTHER CAPITAL CREDITS	\$	20,602	\$	34,659
	\$	239,970	\$	238,311
NET OPERATING MARGINS	\$	464,397	\$	665,561
NON-OPERATING MARGINS	\$	5,365	\$	(48,002)
NET MARGINS	\$	469,762	\$	617,559

How Your CLP Dollars Were Spent in 2019



Your Operation Round Up Community Trust Grant Distribution



To those of you that participate in the Operation Round- Up program at Cooperative Light & Power, we thank you and our community thanks you! Because of your generosity, the Operation Round- Up Board was able to give \$35,404 to organizations in our community during its last two grant distribution cycles!

Operation Round-Up is a voluntary program that automatically "rounds up" your CLP electric bill to the nearest dollar amount. Those pennies are deposited into a Community Trust that is distributed to worthy community organizations twice a year.

Since our last Annual Meeting, the

following community organizations received Operation Round- Up funds: Faith Lutheran Quilters; THHS Swim Team; Friends of the Two Harbors Library; Knife River Rec Council; John Beargrease Sled Dog Marathon; Two Harbors Football; Witchtree Training Center; Two Harbors Area Food Shelf; THHS Agate Boys Basketball; Lake Superior Community Theatre; Friends of the Finland Community; MN Adult & Teen Challenge; Lake County Chamber of Commerce; Bethlehem Lutheran Church- Warming the Northland; Silver Bay Public Library; Friends of the Silver Bay Public Library; THHS International Travel Club; Sea Changes Expedition; Northern Lake County Arts Board; Duluth Township Arts & Heritage Group; Community Partners; Homesteaders- Duluth Township; Minnehaha Elementary School- PBIS; Lake County DAC; North Shore Collaborative; William Kelley Mariner Robotics; Just Kids Dental; Girl Scout Troop #4251; Voyageur Snowmobiling Club; THHS Boys & Girls Nordic

Ski Team; City of Two Harbors-Heritage Days; Lake County Humane Society; Knife River Heritage Center; Two Harbors Youth Hockey; and Superior Montessori.

If you are not currently participating in our Operation Round-up program and you would like to start contributing, please call the CLP office at 834-2226 or 800-580-5881, and the office staff will be happy to get you enrolled. A few cents here and there may not sound like a lot of money, but when you add them all up, it makes a significant impact. Your community much appreciates your contributions!

Operation Round Up
Community Trust
Board of Directors:

Raymond Barnes, Bonnie Peterson, Ellen Johnson, Tim Anderson, and Lori Walewski

Thank you for your service!

Your Operation Round-Up Grant Distribution for September 2018 & March 2019

