

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 21, 2020, with the participation of Peggy Kuettel, Alis Stevens, Scott Veitenheimer and Robert Nikolai in person and the attendance of Gregory Lien telephonically. The seating arrangements of the meeting was revised to comply with Minnesota Department of Health guidelines. All directors were present at the time the meeting was called to order at 9:55 am. Also present for all or parts of the meeting were General Manager/CEO Hal Halpern and Office Manager Spring Detlefsen.

Present

2.

A motion was made by Alis Stevens and seconded by Scott Veitenheimer to accept the agenda with revisions to include SBA Loan Approval, Meeting Code of Conduct, changes to bylaws and policies, as well as an executive session to review energy resource resolution. Motion carried.

Agenda

3.

A motion was made by Robert Nikolai and seconded by Scott Veitenheimer to approve the minutes from the meeting held on April 26, 2020 as is. Motion carried.

Minutes

4.

The Operating Margin for the month of March was a positive \$81,744 as compared to a budgeted figure of a positive \$65,854 for a positive variance of \$15,890. Non-Operating Margins-Interest for the month of March was \$15,806 as compared to a budgeted figure of \$15,472 for a positive variance of \$334. Non-Operating Margins-Other for the month of March was a negative \$15,732 as compared to a budgeted figure of a negative \$11,670 for a negative variance of \$4,062. Other Cap Credits & Patronage for the month of March was \$10,387 as compared to a budgeted figure of \$0 for a positive variance of \$10,387. This resulted in a total margin for the month of March of a positive \$92,205 as compared to a budgeted figure of positive \$69,656 for a positive variance of \$22,549.

Finances

Secretary

<p>During the review of the finances, discussion ensued regarding actual revenue changes during April due to Covid19 closures and changes in energy consumption. Further trends and changes will be assessed through the next months.</p>	<p>Actual and Potential Revenue Effect of Covid</p>
<p style="text-align: center;">5.</p> <p>A presentation by Josh Compton, CFC Senior Rate and Business Consultant, was examined and questions on history of past rate adjustments, basis for recommendations, and comparative data was clarified. A motion was made by Alis Stevens and seconded by Scott Veitenheimer to table the matter until further impact of Covid becomes evident and more information on revenue fluctuations are available. At that point a more comprehensive CFC presentation with detailed rate design studies will be requested before making a decision on the next steps. Motion carried.</p>	<p>Cost of Service Study (COSS)</p>
<p style="text-align: center;">6.</p> <p>Spring Detlefsen updated the Board on the Paycheck Protection Program (PPP) loan by Small Business Application. The amount will be used to offset 8 weeks' payroll, staff medical, 401K and RRS expenses, as well as state and local taxes. The SBA will forgive 100% of the loan as long as some requirements (i.e. amount used and timing) are met.</p>	<p>PPP Loan</p>
<p style="text-align: center;">7.</p> <p>The Board reviewed Great River Energy's (GRE) plans to replace coal with low cost renewable and market energy purchases. With a press release of May 7, 2020, GRE announced plans to transform its portfolio of power supply resources in the coming years, significantly reducing member-owner wholesale power costs. GRE further plans to phase out remaining coal resources, add significant renewable energy and explore critical grid-scale battery technology, by taking the following actions:</p> <ul style="list-style-type: none"> • Retire the 1,151 MW Coal Creek Station in the second half of 2022 • Add 1,100 MW of wind energy purchases by the end of 2023 • Modify the 99 MW, coal and natural gas-based Spiritwood Station power plant to be fueled by natural gas • Install a 1-MW, long-duration battery demonstration system • Support the re-powering of the Blue Flint biorefinery with natural gas. 	<p>Changes in Energy Resources</p>
<p style="text-align: center;">8.</p> <p>A motion was made by Alis Stevens and seconded by Robert Nikolai to table the suggested agenda item on bylaw and possibly policy change until the board directors have had a chance to review suggested revisions. Motion carried.</p>	<p>Bylaw Change</p>
	<p style="text-align: right;">_____ Secretary</p>

<p style="text-align: center;">9.</p> <p>Hal Halpern presented the adjustments to operational accommodations to comply with health guidelines, including continuation of work from home, staggered schedule of field crew, and elimination of construction and non-essential installations.</p>	<p>Adjustments to Operation</p>
<p style="text-align: center;">10.</p> <p>The consent agenda consisting of the following was reviewed. A motion was made by Alis Stevens and seconded by Robert Nikolai to accept the consent agenda without further action.</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 style="text-align: center;">Residential A, Season A/S, Small Commercial B, Non-Consumer N/C, CLUB, Seasonal Club SEA/CLUB, Large Power T, Dusk to Dawn DD</p> <p>APPLICANT LOCATION NO. DISTRICT CLASSIFICATION</p> <p>TERMINATION OF MEMBERSHIP-9</p>	<p>Consent Agenda</p> <p>Applications and Terminations</p>
<p>The following correspondence was included in the consent agenda:</p> <p>A thank you letter from Minnehaha Elementary School for a donation of \$250 toward the cost of t-shirts for incoming kindergarten students.</p> <p style="text-align: center;">11.</p> <p>A motion was made by Alis Stevens and seconded by Scott Veitenheimer to move the meeting to executive session at 2:58 pm to discuss a resolution regarding energy sources and proper meeting conduct. Motion carried.</p> <p>At the conclusion of the executive session, a motion was made by Scott Veitenheimer and seconded by Alis Stevens to exit the executive session. The motion carried and the board exited executive session at 3:23 pm. Discussion ensued on proper code of conduct requirements during meetings. No further action will be taken.</p>	<p>Correspondence</p> <p>Minnehaha Elementary School</p> <p>Executive Session Energy Resource</p> <p>Appropriate Meeting Conduct</p> <hr style="width: 20%; margin-left: auto; margin-right: 0;"/> <p style="text-align: right;">Secretary</p>

<p style="text-align: center;">12.</p> <p>The board reviewed April 2020 outages. A motion was made by Alis Stevens and seconded by Robert Nikolai to accept the outage reports for the month of April 2020. Motion carried.</p>	<p>Outage Report</p>
<p style="text-align: center;">13.</p> <p>Hal Halpern reported on behalf of Marketing, Member Services, Communication Management and Operations.</p> <p>The marketing report focused on Reentry Task Force, Food Shelf Donations, Annual Meeting and Westholm Scholarship.</p> <p>A COVID19 task force was formed consisting of a group of employees to add valuable input to the plan and timing for office employees and staff to return to work at the office, as well as opening CLP lobby to the members.</p> <p>The entire staff and directors participated in a Community Donation Drive. With the CLP matched funds, the cooperative was able to raise a total of \$5,500 to local charities.</p> <p>Several options were presented for an alternative solution to the 2020 annual meeting and the District 1 director election. The options, consisting of drive-through, online voting and mail-in voting were evaluated by Carey and the staff for safety, meeting social distancing guidelines, cost, ease of attendance and compliance with bylaw requirements. The Board agreed with the staff's recommendation for an outdoor drive-in meeting and drive-through voting, accompanied by a brief update on CLP's state of business. Details and logistics of the meeting will be finalized during the next meeting upon receipt of written opinion from legal counsel on compliance with bylaw requirements.</p> <p>Discussion ensued regarding the March resolution to award Westholm Scholarships regardless of the gender of the applicants. Due to the timing of the applications, a motion was made by Scott Veitenheimer and seconded by Robert Nikolai to suspend the resolution until 2021. Motion carried. This year a total of 11 students applied for the Westholm Scholarship. The anonymous applications consisting of essays, student transcripts, non-academic activities and recommendations were reviewed by the board directors, awarding scholarships to 6 students.</p>	<p>Senior Staff Reports</p> <p>Marketing</p> <p>Reentry Task Force</p> <p>Donation Drive</p> <p>Annual Meeting</p> <p>Westholm Scholarship</p>
<p style="text-align: center;">14.</p> <p>Cooperative Light and Power received third place in the Leroy Vanderpool safety award accompanied by a \$200 grant. Ken Jones is also working with Star on a new state mandated TSM manual for all DG installs that apply after July 1st</p>	<p>Member Services</p> <hr/> <p>Secretary</p>

of this year.

15.

Kevin Olson reported the progress of the grant applications being prepared for Broadband. A first update will be given to the Board in June.

Communications
Management

16.

There being no further business to come before said meeting, adjournment was called for at 3:45 pm with a motion from Robert Nikolai, seconded by Scott Veitenheimer. Motion carried.

Adjournment

ALIS STEVENS, Secretary

CORPORATE SEAL

Secretary

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