

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 September 27, 2023, with the participation of Directors Scott Veitenheimer, Roger Peterson, Steve Josephson, Jessica Larsen, and Kyle Weideman by means of zoom.

All directors were present at the time the meeting was called to order at 9:11 am. Also present for the meeting were CEO Joel Janorschke, Business Manager Kevin Olson, Member Services/HR Manager Carey Hogenson, Finance Manager Shannon Haveri, Operations Manager Brian Bentler, Energy Services Manager Ken Jones, and Sherry Fabini to take the minutes. Attending by means of video conference were CLP Attorney Chad Felstul and one member-owner.

Present

2.

A motion was made by Peterson and seconded by Josephson to approve the amended agenda. Motion passed.

Agenda

3.

A motion was made by Larsen and seconded by Josephson to approve the modified August 30, 2023, minutes. Motion passed.

Minutes

4.

The consent agenda consisting of the following was reviewed. A motion was made by Peterson and seconded by Larsen to accept the Consent Agenda. Motion passed.

Consent
Agenda

- Applications and Terminations
- Monthly Payments
- Correspondence

Secretary

<p>Application for Membership and Termination of Electric Service were presented for consideration.</p> <p>NEW SERVICE (New Construction)-2</p> <p>TRANSFER OF OWNERSHIP (Existing Construction)-21</p> <p>TRANSFER OF RENTER-1</p> <p>TERMINATION OF MEMBERSHIP (Name Change Only)-4</p> <p>CHANGE OF CLASSIFICATION-1</p> <p>TERMINATION OF MEMBERSHIP-30</p>	<p>Applications and Terminations</p>
<p>5.</p> <p>The Operating Margin for the month of July was a positive \$50,233 as compared to a budgeted figure of a negative \$3,701 for a positive variance of \$53,934. Non-Operating Margins-Interest for the month of July was positive \$12,338 as compared to a budgeted figure of positive \$1,640 for a positive variance of \$10,698. Non-Operating Margins-Other for the month of July was a positive \$2,672 as compared to a budgeted figure of a positive \$2,500 for a positive variance of \$172. Other Capital Credits & Patronage Other for the month of July was zero as compared to a budgeted figure of positive \$10,000 for a negative variance of \$10,000. This resulted in a total margin for the month of July of a positive \$65,243 as compared to a budgeted figure of a positive \$10,439 for a positive variance of \$54,804.</p>	<p>July Financials</p>
<p>6.</p> <p>A motion was made by Josephson and seconded by Larsen to approve the July financials. Motion passed.</p>	<p>Financial Approval</p>
<p>7.</p> <p>Business Manager Olson addressed the Board on the IVM and grant updates.</p> <ul style="list-style-type: none"> • IVM details how it is operated • Define the different types of areas and the work that needs to be done in these areas with a reference guide • Allow herbicide variance • Communication-Notifying the members with a minimum of 	<p>Manager Reports</p> <hr/> <p>Secretary</p>

three ways:

1. Website
2. Autodial
3. Door hangers
4. Direct letter
5. In person phone call

- Self-maintenance and herbicide variance are two separate distinct things. If the member opts out of herbicide variance meaning no spray, this does not mean we cannot use other means to keep their Right of Way (ROW) clear.
- Fee for opting out of herbicide variance and time limit
- The Infrastructure Investment & Job Act (IIJA) and the Great River Energy (GRE) grants have been submitted and both are in the waiting period. We are expecting to hear in November who has been awarded.

Member Services/HR Manager Hogenson addressed the Board and asked for feedback on the pancake breakfast. Hogenson announced that CLP delivered to the Food Shelf over 500 pounds in food donations and with CLP's matching donation, a check for over \$1,500.00. Approximately 300 members attended the breakfast.

Energy Services Manager Jones announced that the new roof for the Operations Building will be delivered on Monday, October 2, 2023 and work will be started in two weeks.

Operations Manager Bentler reported to the Board what he and the crew have been working on.

- New services
- Transformer change at the Waldo sub-station
- Federal Permit for a member within a three-week time limit.
- Pole testers are coming Monday, October 2, 2023

8.

CEO Janorschke provided the following reports to the Board:

- Minnesota Rural Electric Association (MREA) Update
- Communication & Legislative Advisory Committee (CLAC)
- Attended the MN CEO Fall Conference
- Other Matters of Interest
- Position for Energy Service Representative/Master Electrician was posted
- Continued to work on updating policies, redistricting

CEO Report

Secretary

<p>boundaries, and bylaws</p> <ul style="list-style-type: none"> • Finalizing contracts with Davey regarding IVM and Software Agreement and EXO (pole inspectors) • Received a few phone calls from members regarding the recent rate adjustment (seasonal members) • Attended the Non-Traditional Lenders Forum Luncheon provided by the Lake County Chamber of Commerce • GRE Report • After Louy Theeuwien, Director, Executive Division, announced her plans to retire on September 7, 2023, after 35 years of service at GRE. Louy has agreed to stay with Great River Energy in a new chief of staff role, reporting directly to David Saggau. Donna Howe has been promoted to executive administrator and will report to Louy. • David Saggau presented the CEO's report • Financials • Member rate discussion (Jon Brekke) • Updates on Federal Funding Opportunities (Jeff Haase) • Executive Session (Jon Brekke) • GRE August 2023 PCA Detail • New ERA (GRE Consortium) slide printout from GRE's MMG Meeting <p>Janorschke informed the Board that he and staff are working on the 2024 Budget. Janorschke would like to work on strategic planning starting May of 2024 after the Annual Meeting is completed in April. Janorschke requested he would like a formal performance review to be done next month with Deb Egeland, to see where he is at, and if he is moving in the correct direction, good or bad.</p> <p style="text-align: center;">9.</p> <p>A motion was made by Weideman and seconded by Josephson to have Deb Englund, HRExpertise perform a review on the past twelve months performance of CEO Janorschke. Motion passed.</p> <p style="text-align: center;">10.</p> <p>President Veitenheimer reported on the GRE Board meeting report he attended September 6 and 7. He reported that in September the Board of directors are given new Committee assignments. Veitenheimer new assignments are Corporate Services and Compensation Committee. There are four Standing Committees:</p> <ol style="list-style-type: none"> 1. Financial and Audit 	<p style="text-align: center;">Performance Review</p> <p style="text-align: center;">GRE's Board Meeting</p> <hr style="width: 20%; margin-left: auto; margin-right: 0;"/> <p style="text-align: center;">Secretary</p>
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- 2. Power Supply
- 3. Transmission
- 4. Corporate Services

There are two other Meeting Committees. Compensation and Executive Committee. Directors assigned to the Compensation Committee serve for three years while also serving on one of the four Standing Committees. The Executive Committee is for the Chairman of the Board, CEO, and Senior Staff.

11.

At 11:35 a.m., a motion was made by Peterson and seconded by Larsen to enter into Executive Session to discuss the amendment to the Nextera PPA Agreement for the Dodge County Wind Project. Motion passed. At the conclusion of the discussion, a motion was made by Larsen and seconded by Josephson to exit the session at 12:15 p.m. Motion passed.

Executive Session

12.

A motion was made by Peterson and seconded by Larsen to approve the Resolution-Nextera Energy Resources-Amended Terms for Dodge County Wind Energy Purchase. Roll Call Vote: Larsen, yes. Weideman, yes. Josephson, yes. Peterson, yes. Veitenheimer, yes. Motion passed.

Resolution

13.

A motion was made by Josephson and seconded by Weideman to approve the Operation Round Up Grants awarded by the Operation Round Up Committee. Motion passed.

Operation Round Up

14.

A motion was made by Larsen and seconded by Peterson to approve, with changes, Board Policy II-13 IVM. Motion passed.

Board Policy II-13

15.

A motion was made by Weideman and seconded by Larsen to approve, with changes, Board Policy III-8 Directors Duties and Standards of Conduct. Motion passed.

Board Policy III-8

Secretary

<p style="text-align: center;">16.</p> <p>A motion was made by Peterson and seconded by Josephson to approve, with changes, Board Policy IV-26 Non-Discrimination. Motion passed.</p>	<p>Board Policy IV-26</p>
<p style="text-align: center;">17.</p> <p>A motion was made by Larsen and seconded by Peterson to approve, with changes, Board Policy IV-31 Association Records. Motion passed.</p>	<p>Board Policy IV-31</p>
<p style="text-align: center;">18.</p> <p>A motion was made by Weideman and seconded by Josephson to approve, with changes Board Policy IV-32 Operation Round Up. Motion passed.</p>	<p>Board Policy IV-32</p>
<p style="text-align: center;">19.</p> <p>A motion was made by Josephson and seconded by Larsen to approve, with changes, Board Policy IV-33 Distributed Generation/Net Metering. Motion passed.</p>	<p>Board Policy IV-33</p>
<p style="text-align: center;">20.</p> <p>CEO Janorschke informed the Board the Articles of Incorporation and Bylaws template was updated with all the mark-ups and changes. If any other questions or suggestions are needed, add them to the new mark-up. CLP reached out to Survey Ballot Systems regarding the cost for next year so CLP can budget for Bylaws. The deadline for completion is December 2023.</p>	<p>Articles of Incorporation and Bylaws</p>
<p style="text-align: center;">21.</p> <p>CEO Janorschke presented the Board with four options for redistricting. The Board agreed to continue to look over the four options, try to make minor adjustments to narrow it down, and discuss more next month.</p>	<p>Redistricting</p> <hr style="width: 100%; margin-top: 20px;"/> <p style="text-align: right;">Secretary</p>

22.

The Board discussed the date for the next Board meetings. The next board meeting date is set for October 25, 2023, at 9:00 a.m. The Board agreed to move the November Board Meeting to the week after the Thanksgiving Holiday to November 29, 2023.

Next Meeting

23.

There being no further business to come before said meeting, adjournment was called for at 2:15 p.m. with a motion from Josephson and a second by Larsen. Motion carried.

Adjournment

Steve Josephson, Secretary

CORPORATE SEAL

Secretary

