

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 24, 2024, with the participation of Directors Scott Veitenheimer, Roger Peterson, Steve Josephson, Kyle Weideman and Jessica Larsen.

All directors were present at the time the meeting was called to order at 9:08 a.m. Also present for the meeting were CEO Joel Janorschke, Finance Manager Shannon Haveri, Energy Services Manager Ken Jones, Operations Manager Brian Bentler, Business Manager Kevin Olson, and Sherry Fabini to take the minutes. One member owner attended by means of video conference. Jon Brekke, Vice President, and Chief Power Supply Officer of GRE was in attendance for Executive session.

2.

A motion was made by Weideman and seconded by Larsen to approve the modified agenda. Motion passed.

3.

A motion was made by Josephson and seconded by Weideman to approve the December 27, 2023, minutes. Motion passed.

4.

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

- Applications and Terminations
- Monthly Payments
- Correspondence

Present

Agenda

Minutes

Consent
Agenda

Secretary

<p>Application for Membership and Termination of Electric Service were presented for consideration.</p> <p>NEW SERVICE (New Construction)-1</p> <p>TRANSFER OF OWNERSHIP (Existing Construction) --11</p> <p>TERMINATION OF MEMBERSHIP-19</p> <p style="text-align: center;">5.</p>	<p>Applications and Terminations</p>
<p>The Operating Margin for the month of November was a positive \$80,017 as compared to a budgeted figure of a positive \$83,880 for a negative variance of \$3,863. Non-Operating Margins-Interest for the month of November was positive \$7,766 as compared to a budgeted figure of positive \$1,640 for a positive variance of \$6,126. Non-Operating Margins-Other for the month of November was a negative \$25,844 as compared to a budgeted figure of a positive \$2,500 for a negative variance of \$28,344. Other Capital Credits & Patronage Other for the month of November was zero as compared to a budgeted figure of zero, for a neutral variance. This resulted in a total margin for the month of November of a positive \$61,939 as compared to a budgeted figure of a positive \$88,020 for a negative variance of \$26,081.</p> <p style="text-align: center;">6.</p>	<p>November Financials</p>
<p>A motion was made by Larsen and seconded by Peterson to approve the October financials. Motion passed.</p> <p style="text-align: center;">7.</p>	<p>Financial Approval</p>
<p>Member Services/HR Manager Hogenson was not in attendance. The Board had no concerns regarding her written report.</p> <ul style="list-style-type: none"> • CEO Janorschke informed the Board that the District 3 Nominating Meeting is scheduled for February 26, 2024, at 5:30 p.m. at the CLP office • District 4 Nominating Meeting is scheduled for February 27, 2024, at 5:30 p.m. at the Beaver Bay Community Center • Emergency Response Plan (ERP) has been updated and can be reviewed in Dropbox <p>Business Manager Olson addressed the Board on the Right of Way (ROW) and grant updates.</p> <ul style="list-style-type: none"> • Finished 2024 IVM changes, clarifications, and adjustments 	<p>Managers Reports</p> <hr style="width: 100%;"/> <p style="text-align: right;">Secretary</p>

<ul style="list-style-type: none"> • Workplan projects for 2024/2025 needing the trees cleared to upgrade the lines for underground wire • The Resilience Assessment System Prediction Tool (RASP) grant has been submitted • State Competitiveness Matching Fund Grant from the State of MN has been submitted • The State match for GRE New ERA program has been rejected <p>Energy Services Manager Jones went over his report with the Board.</p> <ul style="list-style-type: none"> • Residential members turned in rebates totaling \$4,450.00 • Two Commercial members turned in rebates totaling \$3,430.20 • Income Eligible rebates for 2023 totaled \$9,817.13 • New EV charging station will be completed when service panel is upgraded <p>Operations Manager Bentler went over his report with the Board.</p> <ul style="list-style-type: none"> • Linemen are helping Arrowhead Electric Coop cover some weekend shifts due to staff shortage. <p style="text-align: center;">8.</p> <p>CEO Janorschke provided the following reports to the Board:</p> <p>Minnesota Rural Electric Association (MREA) Update</p> <ul style="list-style-type: none"> • 2024 Legislative Session starts on February 12, 2024 • With the carbon free by 2040 bill passed last session, the energy committees will be focused on proposals to better align the permitting process with the demands of the clean energy transition mandated by legislature. • MREA also expect the moratorium on building new nuclear facilities in Minnesota to be a discussion item • MREA is working with the Department of Revenue and legislators on a clarification on how electric cooperative property taxes are assessed so that it will result in savings for the members <p>National Rural Electric Cooperative Association (NRECA) Update</p> <ul style="list-style-type: none"> • NRECA Coalition Urges Senate to Fund Transformers • USDA and DOE Listening Sessions on Clean Energy Siting <p>Other Matters of Interest</p> <ul style="list-style-type: none"> • Had a discussion with member (District 4) regarding eligibility to run for the Board (Bylaws) • Discussion with member (District 1) regarding trees outside the ROW (Hazard trees) 	<p>CEO Report</p> <hr/> <p>Secretary</p>
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<ul style="list-style-type: none"> • Discussion with member (District 1) regarding a maintenance warranty • Attended meeting regarding the New ERA Opportunity (GRE) • Received a few phone calls from seasonal members regarding rate adjustment <p>CEO Janorschke informed the Board that the Operation Round Up (ORU) Bylaws are being updated. The Board of Directors for ORU shall be composed of five (5) persons designated by the Board of Directors of Cooperative Light & Power Association and serve terms that are concurrent with the director of the Cooperative Light & Power Association who appointed him or her. With district changes there are director changes for the ORU Board. All positions are filled except district one (1). Director Larsen will designate a replacement.</p>	
<p style="text-align: center;">9.</p> <p>At 10:52 a.m. a motion was made by Larsen and seconded by Weideman to enter in Executive Session with Jon Brekke to discuss Resolution R23-12-2 Amendments to Appendix of the Transmission Service Contract. Motion passed. At the conclusion of the discussion, a motion was made by Josephson and seconded by Peterson to exit the session at 12:04 p.m. Motion passed.</p>	Executive Session
<p style="text-align: center;">10.</p> <p>President Veitenheimer reported on the GRE Board Meeting he attended on January 10 and 11.</p> <ul style="list-style-type: none"> • The Compensation Committee discussed: <ul style="list-style-type: none"> ○ Business review and payout-this is a program to encourage employees to submit ideas to reduce the cost of operations and improve efficiency. <ul style="list-style-type: none"> ▪ In 2023, 459 participated and the savings is estimated at 21 million dollars ▪ Payout is up to 20% of savings that occurred by the ideas and cap is \$2,500 per employee who is qualified ▪ Approval was recommended and was granted ○ Review of CEO Market Data ○ Review of CEO Compensation • The Education session discussed: <ul style="list-style-type: none"> ○ Wind Program update <ul style="list-style-type: none"> ▪ More discussion on the Wind Program at the 	GRE Board Meeting
	<hr style="width: 100%;"/> Secretary

GRE's Regional Meeting

- The Corporate Services Committee discussed:
 - Corporate contributions
 - Sponsorships
 - Strategic memberships
- 2024 Legislative Plan
- Economic Development update
- Environmental update
- President and CEO David Saggau reported good month and a very good year for GRE
- Hwikwon Ham was appointed Public Utilities Commission (PUC) Commissioner
- The Board passed Resolution GRE R24-1-1 which gives signature authority for Northland Reliability Projects (NRP) land transactions

11.

CEO Janorschke reported on the GRE MMG meeting that was held in December 2023. He reviewed on:

1. Financial updates
2. Minnesota Pollution Control Agency (MPCA)
3. New Program Designs

12.

A motion was made by Weideman and seconded by Larsen to approve GRE Board Resolution No. GRE23-12-2 Vote in favor of Amendment to Appendix B of the TSC. Roll call vote. Larsen, yes. Weideman, yes. Josephson, yes. Peterson, yes. Veitenheimer, yes. Motion passed.

13.

Esterbrook Audit Engagement Letter was reviewed to move forward with the Audit.

14.

A motion was made by Peterson and seconded by Josephson to approve Jeff Nielson as District 3 Chairperson of the nominating committee. Motion passed.

GRE MMG Meeting

Resolution GRE23-12-2

Esterbrook

District 3 Chairperson

Secretary

<p style="text-align: center;">15.</p> <p>A motion was made by Weideman and second by Larsen to approve Jim Korpi as District 4 Chairperson of the nominating committee. Motion passed.</p>	<p>District 4 Chairperson</p>
<p style="text-align: center;">16.</p> <p>A motion was made by Peterson and seconded by Larsen to approve, with changes, Board Policy 11-2 Meter Testing-Requested by Consumer. Motion passed.</p>	<p>Board Policy 11-2</p>
<p style="text-align: center;">17.</p> <p>A motion was made by Josephson and seconded by Larsen to approve, with changes, Board Policy 11-13 Integrated Vegetation Management. Motion passed.</p>	<p>Board Policy 11-13</p>
<p style="text-align: center;">18.</p> <p>A motion was made by Weideman and seconded by Peterson to approve, with changes, Board Policy 11-20 Capacity Addition Due to Consumer Equipment. Motion passed.</p>	<p>Board Policy 11-20</p>
<p style="text-align: center;">19.</p> <p>A motion was made by Peterson and seconded by Josephson to approve, with changes, Board Policy 11-21 Member Opt Out of AMI Metering System Installations. Motion passed.</p>	<p>Board Policy 11-21</p>
<p style="text-align: center;">20.</p> <p>A motion was made by Larsen and seconded by Josephson to delete Board Policy 111-6 Qualifications for Directorship. Motion passed.</p>	<p>Board Policy 111-6</p>
<p style="text-align: center;">21.</p> <p>A motion was made by Weideman and seconded by Peterson to approve, with changes, Board Policy IV-9 Signing of Checks and Electronic Funds Transfers. Motion passed.</p>	<p>Board Policy IV-9</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 meeting. The next board meeting date is set for February 28, 2024, at 9:00 a.m.

Next Meeting

23.

There being no further business to come before said meeting, adjournment was called for at 1:28 p.m. with a motion from Peterson and a second by Josephson. Motion carried.

Adjournment

Steve Josephson, Secretary

CORPORATE SEAL

Secretary

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