

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 July 26, 2023, with the participation of Scott Veitenheimer, Roger Peterson, Steve Josephson, Kyle Weideman, and Jessica Larsen.

Five directors were present at the time the meeting was called to order at 9:04 am. Also present for the meeting were CEO Joel Janorschke, Business Manager Kevin Olson, Member Services/HR Manager Carey Hogenson, Operations Manager Brian Bentler, Sherry Fabini to take the minutes, guest speaker Zac Ruzucki from Great River Energy (GRE), and member-owner Geoff Tolley. Attending by means of video conference was CLP Attorney Chad Felstul.

Present

2.

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

Agenda

3.

A motion was made by Peterson and seconded by Weideman to approve the June 28, 2023, minutes as amended. 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><b>NEW SERVICE (New Construction)-4</b></p> <p><b>TRANSFER OF OWNERSHIP (Existing Construction)-14</b></p> <p><b>TRANSFER OF RENTER-2</b></p> <p><b>TERMINATION OF MEMBERSHIP (Name Change Only)-2</b></p> <p><b>TERMINATION OF MEMBERSHIP-25</b></p>	<p>Applications and Terminations</p>
<p style="text-align: center;">5.</p> <p>Guest speaker, Zac Ruzucki, Director, Resource Planning from GRE provided an informational discussion on GRE's Cambridge 2 Dual Fuel proceeding and CLP/GRE PPC Extension. Slide presentation included:</p> <ul style="list-style-type: none"> <li>• Project and Regulatory Timeline</li> <li>• Environmental Assessment Worksheet (EAW) contents</li> <li>• Air Modeling in EAW</li> <li>• Green House Gas (GHG) emissions</li> <li>• EAW Conclusions</li> </ul>	<p>Zac Ruzucki's From GRE</p>
<p style="text-align: center;">6.</p> <p>At 9:40 a.m. a motion was made by Weideman and seconded by Larsen to go into Executive Session to discuss confidential information regarding the GRE PPC extension. Motion passed. At the conclusion of the discussion, a motion was made by Peterson and seconded by Larsen to exit the session at 11:34 a.m. Motion passed.</p>	<p>Executive Session</p>
<p style="text-align: center;">7.</p> <p>The Operating Margin for the month of May was a positive \$55,914 as compared to a budgeted figure of a negative \$42,142 for a positive variance of \$98,056. Non-Operating Margins-Interest for the month of May was positive \$12,688 as compared to a budgeted figure of positive \$1,640 for a positive variance of \$11,048. Non-Operating Margins-Other for the month of May was a positive \$13,490 as compared to a budgeted figure of a positive \$2,500 for a positive variance of \$10,990. Other Capital Credits &amp;</p>	<p>Financial Report</p> <hr/> <p>Secretary</p>

<p>Patronage Other for the month of May was zero as compared to a budgeted figure of zero, for a neutral variance. This resulted in a total margin for the month of May of a positive \$82,092 as compared to a budgeted figure of a negative \$38,002 for a positive variance of \$120,094.</p>	
<p style="text-align: center;">8.</p> <p>A motion was made by Larsen and seconded by Peterson to approve the May financials. Motion passed.</p>	<p>Financial Approval</p>
<p style="text-align: center;">9.</p> <p>Business Manager Olson addressed the Board on what he is working on:</p> <ul style="list-style-type: none"> <li>• The Integrated Vegetation Management (IVM)</li> <li>• The contract paperwork to get the Forrester here in August.</li> </ul> <p>Member Services/HR Manager Hogenson discussed with the Board results from the redistricting poll from last month's newsletter. So far 91 members have replied.</p> <ul style="list-style-type: none"> <li>• The CLP Member Appreciation Pancake Breakfast is set for September 23, 2023, from 8:00 a.m. to 11:00 a.m.</li> <li>• Key Account Visits with members are taking place due to changes in billing. Talks are going very well with great response and acceptance.</li> </ul> <p>Operations Manager Bentler reported to the Board:</p> <ul style="list-style-type: none"> <li>• Crews traveled 9,339 miles with 0 accidents</li> <li>• Many new service applications are coming in</li> <li>• Materials are in good supply</li> </ul> <p>Energy Service Manager, Jones, was not in attendance at the meeting, the board had no questions or concerns regarding his written report.</p>	<p>Manager Reports</p>
<p style="text-align: center;">10.</p> <p>CEO Janorschke provided the following reports to the Board:</p> <ul style="list-style-type: none"> <li>• Minnesota Rural Electric Association (MREA) Update <ul style="list-style-type: none"> <li>a. Department of Revenue (DOR) Expansion of Property Tax</li> </ul> </li> <li>• Other Matters of Interest <ul style="list-style-type: none"> <li>a. Attended Member Manager Safety Council session regarding marijuana in the workplace.</li> </ul> </li> </ul>	<p>CEO Report</p> <hr/> <p>Secretary</p>

<ul style="list-style-type: none"><li>b. Attended the MN Safety Council session regarding marijuana “What is a Safety-Sensitive Position Anyway?”</li><li>c. Continue to work on updating Board Policies</li><li>• GRE Member Managers Group (MMG) Report<ul style="list-style-type: none"><li>a. Rates 301</li><li>b. Financials</li><li>c. Discussed the member rate design</li></ul></li></ul> <p style="text-align: center;">11.</p> <p>President Veitenheimer and CEO Janorschke attended the GRE Strategic Planning meeting. Scott reported that it was an informational and educational meeting and discussion was on three topics:</p> <ul style="list-style-type: none"><li>1. Scenario planning for potential future for State of the Electrical Industry in 2040</li><li>2. Generation resource options for the future<ul style="list-style-type: none"><li>a. Solar</li><li>b. Wind</li><li>c. Nuclear</li><li>d. GEO Thermal</li></ul></li><li>3. Strategic Transmission Opportunities</li></ul>	<p>GRE Strategic Planning</p>
<p style="text-align: center;">12.</p> <p>CEO Janorschke, President Veitenheimer and Director Josephson attended the MREA District 2 meeting at Lake Country Power in Grand Rapids. MREA District 2 Director Wes Waller opened the meeting with a rundown of what has happened in the past year.</p> <ul style="list-style-type: none"><li>• Darrick Moe, President and CEO, gave a summary on the staff turnover and upcoming events sponsored by MREA</li><li>• Jenny Glumack, MREA Legislative Affairs Manager, summarized the past legislation season</li><li>• Joe Miller, Director of Communications, spoke on his duties and plans</li><li>• Anthony Lenz, Director of Safety Services, spoke on his duties and plans for 2024 which included:<ul style="list-style-type: none"><li>a. adding a transformer school</li><li>b. having their “Own One”</li><li>c. adding a foreman conference for lead foremen in Jan/Feb</li><li>d. adding another hotline school</li></ul></li><li>• Tim Velde, Minnesota Director on the NRECA Board, shared updates</li></ul>	<p>MREA District 2 Meeting</p> <hr/> <p>Secretary</p>

<ul style="list-style-type: none"> <li>• Senator Grant Hauschild spoke briefly and fielded questions from the group. Some items that he is looking into are: <ul style="list-style-type: none"> <li>a. size to load for DG</li> <li>b. property exemptions on appurtenances</li> </ul> </li> </ul> <p style="text-align: center;">13.</p>	
<p>A motion was made by Josephson and seconded by Weideman to approve GRE's Amend Power Purchase Contract Resolution. Roll Call Vote: Larsen, yes. Veitenheimer, yes. Weideman, yes. Josephson, yes. Peterson, yes. Motion passed.</p>	<p>Resolution PPC</p>
<p style="text-align: center;">14.</p> <p>A motion was made by Peterson and seconded by Larsen to approve, with changes, Board Policy IV-19 CEO Vehicle Use. Motion passed.</p>	<p>Board Policy IV-19</p>
<p style="text-align: center;">15.</p> <p>A motion was made by Weideman and seconded by Josephson to approve, with changes, Board Policy IV-24 Organization Chart. Motion passed.</p>	<p>Board Policy IV-24</p>
<p style="text-align: center;">16.</p> <p>A motion was made by Larsen and seconded by Peterson to delete Board Policy IV-30 Affirmative Action Program. Motion passed.</p>	<p>Board Policy IV-30</p>
<p style="text-align: center;">17.</p> <p>A motion was made by Larsen and seconded by Peterson to delete Board Policy IV-30A Implementation of Affirmative Action Program. Motion passed.</p>	<p>Board Policy IV-30A</p>
<p style="text-align: center;">18.</p> <p>CEO Janorschke asked the Board to continue to go through the Bylaw markups and to make sure of any changes they would like to see under the notes or on paper so they can be added and reviewed. The goal is to have this completed by October.</p> <p>CEO Janorschke believes the members of CLP are trusting the Board to make the right decision about what is best for our Cooperative when it comes to redistricting. The Board believes there is the need for redistricting. Janorschke will work to modify</p>	<p>Unfinished Business- Review of the Bylaws and Redistricting</p> <hr style="width: 100%;"/> <p style="text-align: right;">Secretary</p>

the district maps with different options to make it more fair and present them to the Board next month for discussion.

19.

CEO Janorschke will check pricing and gather more information with Todd Rapp-Rapp Strategies regarding a CLP membership survey.

Membership Survey

20.

At 1:46 p.m. a motion was made by Weideman and seconded by Larsen to go into Executive Session to discuss confidential Board issues. Motion passed. At the conclusion of the discussion, a motion was made by Josephson and seconded by Weideman to exit the session at 2:12 p.m. Motion passed.

Executive Session

21.

The Board discussed the date for the next Board meeting. The date is set for August 30, 2023, at 9:00 a.m.

Next Meeting

22.

There being no further business to come before said meeting, adjournment was called for at 2:20 p.m. with a motion from Josephson and a second by Larsen. Motion carried.

Adjournment

---

Steve Josephson, Secretary

CORPORATE SEAL

---

Secretary