

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 June 28, 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, Finance Manager Shannon Haveri, Sherry Fabini to take the minutes and member-owner Geoff Tolley. Attending by means of video conference was CLP Attorney Chad Felstul. Marketing/HR Manager Carey Hogenson joined later in the meeting. Debra Englund was present for Executive Sission.

2.

CEO Joel Janorschke asked that the August 23, 2023, Board meeting be moved to August 30, 2023. This will be discussed under new business.

3.

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

4.

A motion was made by Roger Peterson and seconded by Kyle Weideman to approve the May 24, 2023, minutes, and the May 17, 2023, Special Meeting minutes as amended. Motion passed.

Present

Additions to
the Agenda

Agenda

Minutes

Secretary

<p style="text-align: center;">5.</p> <p>At 9:12 a.m. a motion was made by Roger Peterson and seconded by Kyle Weideman to go into Executive Session to discuss Board evaluation with Debra Englund. Motion passed. At the conclusion of the discussion, a motion was made by Kyle Weideman and seconded by Roger Peterson to exit the session at 11:24 a.m. Motion passed.</p>	<p>Executive Session</p>
<p style="text-align: center;">6.</p> <p>The consent agenda consisting of the following was reviewed. A motion was made by Roger Peterson and seconded by Jessica Larsen to accept the Consent Agenda. Motion passed.</p> <ul style="list-style-type: none"> • Applications and Terminations • Monthly Payments • Correspondence <p>Application for Membership and Termination of Electric Service were presented for consideration.</p> <p>NEW SERVICE-13</p> <p>TRANSFER OF OWNERSHIP-18</p> <p>TERMINATION OF MEMBERSHIP (Name Change Only)-1</p> <p>TERMINATION OF MEMBERSHIP-17</p>	<p>Consent Agenda</p> <p>Applications and Terminations</p>
<p style="text-align: center;">7.</p> <p>Member-Owner Geoff Tolley addressed the Board regarding the following topics:</p> <ul style="list-style-type: none"> • Form 990 • Making Board policies and resolutions accessible to member-owners • Feedback on District Meetings and equal representation 	<p>Member-Owners</p> <hr style="width: 100%; margin-top: 20px;"/> <p>Secretary</p>

<p style="text-align: center;">8.</p> <p>The Operating Margin for the month of April was a positive \$1,468 as compared to a budgeted figure of a negative \$97,230 for a positive variance of \$98,698. Non-Operating Margins-Interest for the month of April was positive \$16,038 as compared to a budgeted figure of positive \$7,800 for a positive variance of \$8,238. Non-Operating Margins-Other for the month of April was a negative \$197 as compared to a budgeted figure of a positive \$2,500 for a negative variance of \$2,697. Other Capital Credits & Patronage Other for the month of April was zero as compared to a budgeted figure of zero, for a neutral variance. This resulted in a total margin for the month of April of a positive \$17,309 as compared to a budgeted figure of a negative \$86,930 for a positive variance of \$104,239.</p>	<p>Financial Report</p>
<p style="text-align: center;">9.</p> <p>A motion was made by Steve Josephson and seconded by Kyle Weideman to approve the financials. Motion passed.</p>	<p>Financial Approval</p>
<p style="text-align: center;">10.</p> <p>Business Manager Kevin Olson addressed the Board on what he has been working on:</p> <ul style="list-style-type: none"> • District meetings last month • Rate changes ready for August 1, 2023 • Integrated Vegetation Management (IVM) program is close to completion. <p>Marketing/Communication/HR Manager Carey Hogenson informed the Board that several members would like to see the pancake breakfast return.</p> <ul style="list-style-type: none"> • The Board agreed to have the pancake breakfast returned in September. • CLP will sponsor the ice cream social at the Two Harbors City Band Concert on July 20, 2023. <p>Operations Manager Brian Bentler provided the Board with his report but was unable to attend the meeting. Roger Peterson had two questions from Brian's report.</p> <ul style="list-style-type: none"> • The first question was regarding the new Waldo substation transformer and what was going to happen with the old one. CEO Joel Janorschke informed the Board that the old Waldo substation transformer was going to be used as a 	<p>Manager Reports</p> <hr style="width: 100%; margin-top: 20px;"/> <p style="text-align: right;">Secretary</p>

<p>spare for now.</p> <ul style="list-style-type: none"> The second question was regarding new service and trying to get people to pay. CEO Joel Janorschke informed the Board that CLP is having individuals pay for the new service work prior to the work getting done. <p style="text-align: center;">11.</p> <p>CEO Joel Janorschke provided the following reports to the Board:</p> <ul style="list-style-type: none"> Minnesota Rural Electric Association (MREA) Update on recent staff changes. MN Legislative Update (MREA) <ul style="list-style-type: none"> a.) Earned Sick and Safe Time b.) Paid Family Leave Bill c.) Property Tax on Co-op Distribution Infrastructure d.) Load Control Receivers e.) Omnibus Cannabis Bill f.) IIJA State Matching Funds & Technical Assistance to unlock Federal Infrastructure Funding Other Matters of Interest <ul style="list-style-type: none"> a. District meetings b. Staff Job Descriptions and Staff annual reviews c. GRE Executive Session and MREA/Trust d. Members questions and concerns were addressed from district meetings regarding the rate increase. e. Met with Will Mitchell, NRECA Lobbyist f. CFC webinar on Understanding Financial Statements g. Board policies and Rate Schedules h. Capacity i. Grid Access Charge 	<p>CEO Report</p>
<p style="text-align: center;">12.</p> <p>Scott Veitenheimer reported on the June GRE Board meeting.</p> <ul style="list-style-type: none"> Financials are good and margins are ahead of budget. <p>CEO Joel Janorschke went over the Member Mangers Group (MMG) report from GRE. Items covered included:</p> <ul style="list-style-type: none"> Rates 201 Executive Session-Regarding Contracts Board Strategy session in July May Financials Member rate design and contract 	<p>GRE Board/MMG Meeting</p> <hr/> <p>Secretary</p>

<p style="text-align: center;">13.</p> <p>A motion was made by Roger Peterson and seconded by Jessica Larsen to approve the amendment to the 2023 Budget. Motion passed.</p>	<p>2023 Budget</p>
<p style="text-align: center;">14.</p> <p>A motion was made by Steve Josephson and seconded by Roger Peterson to approve the April 2023 Annual Meeting Minutes with changes. Motion passed.</p>	<p>2023 April Annual Meeting Minutes</p>
<p style="text-align: center;">15.</p> <p>A motion was made by Roger Peterson and seconded by Kyle Weideman to approve Board Policy II-18 Retail Rates. Motion passed.</p>	<p>Board Policy II-18 Retail Rates</p>
<p style="text-align: center;">16.</p> <p>A motion was made by Kyle Weideman and seconded by Jessica Larsen to approve the rates in Appendix 1 to Board Policy II-18. Motion passed.</p>	<p>Appendix in Board Policy II-18</p>
<p style="text-align: center;">17.</p> <p>A motion was made by Jessica Larsen and seconded by Steve Josephson to approve with changes, Board Policy I-3 Hiring of Employees. Motion passed.</p>	<p>Board Policy I-3 Hiring Employees</p>
<p style="text-align: center;">18.</p> <p>A motion was made by Roger Peterson and seconded by Kyle Weideman to cancel Board Policy I-7 Moving and Interview Expenses. Motion passed.</p>	<p>Board Policy I-7 Moving & Interview Expenses</p>
<p style="text-align: center;">19.</p> <p>A motion was made by Steve Josephson and seconded by Roger Peterson to approve, with changes, Board Policy I-24 Succession Plan. Motion passed.</p>	<p>Board Policy I-24 Succession Plan</p> <hr/> <p style="text-align: right;">Secretary</p>

<p style="text-align: center;">20.</p> <p>A motion was made by Steve Josephson and seconded by Jessica Larsen to approve, with changes, Board Policy I-28 Procurement. Motion passed.</p>	<p>Board Policy I-28 Procurement</p>
<p style="text-align: center;">21.</p> <p>Board Policy III-8 Directors Code of Conduct was tabled until next month for further discussion.</p>	<p>Board Policy III-8 Directors Code of Conduct</p>
<p style="text-align: center;">22.</p> <p>A motion was made by Roger Peterson and seconded by Jessica Larsen to approve, with changes, Board Policy III-9 CLP Board of Directors Confidentiality Agreement. Motion passed.</p>	<p>Board Policy III-9 Board of Directors Confidentiality Agreement</p>
<p style="text-align: center;">23.</p> <p>A motion was made by Steve Josephson and seconded by Kyle Weideman to approve, with changes, Board Policy III-10 Conflict of Interest with changes. Motion passed.</p>	<p>Board Policy III-10 Conflict of Interest</p>
<p style="text-align: center;">24.</p> <p>A motion was made by Kyle Weideman and seconded by Roger Peterson to approve, with changes, Board Policy III-11 Director Authority-Statements and Acts of Same with changes. Motion passed.</p>	<p>Board Policy III-11 Director Authority-Statements and Acts of Same</p>
<p style="text-align: center;">25.</p> <p>A motion was made by Kyle Weideman and seconded by Jessica Larsen to approve Board Policy III-12 Delegation of Authority-CEO. Motion passed.</p>	<p>Board Policy III-12 Delegation of Authority-CEO</p>
<p style="text-align: center;">26.</p> <p>CEO Joel Janorschke asked the Board to continue reviewing the Bylaws markup and to continue to make any changes they would like to see under the comments in the Board Markup App.</p> <p>The Board discussed redistricting. The Board will poll our members to see if they support changing the district boundaries.</p>	<p>Unfinished Business</p> <hr style="width: 100%;"/> <p style="text-align: right;">Secretary</p>

<p style="text-align: center;">27.</p> <p>Scott Veitenheimer requested to change the August Board meeting from August 23 to August 30. The Board all agreed that this would work.</p> <p>CEO Joel Janorschke inquired who will be attending the MREA District 2 Meeting, July 14, 2023; Lake Country Power Cohasset, MN from 9-12:00 p.m. and the MREA Annual Energy Issues Summit (EIS) August 9-10, 2023; Radisson BLU Mall of America, Bloomington, MN. Reservation needs to be made.</p>	<p>New Business</p>
<p style="text-align: center;">28.</p> <p>At 2:52 p.m. a motion was made by Kyle Weideman and seconded by Steve Josephson to go into Executive Session to discuss GRE information. Motion passed. At the conclusion of the discussion, a motion was made by Kyle Weideman and seconded by Steve Josephson to exit the session at 3:30 p.m. Motion passed.</p>	<p>Executive Session</p>
<p style="text-align: center;">29.</p> <p>The Board discussed the date for the next Board meeting. The date is set for July 26, 2023, at 9:00 a.m.</p>	<p>Next Meeting</p>
<p style="text-align: center;">30.</p> <p>There being no further business to come before said meeting, adjournment was called for at 3:40 p.m. with a motion from Jessica Larsen and a second by Kyle Weideman. Motion carried.</p>	<p>Adjournment</p>
<p style="text-align: center;">_____ Steve Josephson, Secretary</p> <p>CORPORATE SEAL</p>	<p style="text-align: center;">_____ Secretary</p>

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