

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 November 29, 2023, 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 9:01a.m. Also present for the meeting were CEO Joel Janorschke, Finance Manager Shannon Haveri, Member Services/HR Manager Carey Hogenson, Business Manager Kevin Olson, Energy Services Manager Ken Jones, Sherry Fabini to take the minutes, and one member owner. Nick Christensen and Lyle Fox from Burlington Express and Hospitality, and Jeff Borling from GRE were in attendance to discuss a proposed development of a Holiday Inn Express and a revolving loan fund. Attending by means of video conference was CLP Attorney Chad Felstul.

2.

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

3.

A motion was made by Weideman and seconded by Larsen to approve the amended October 25, 2023, minutes. Motion passed.

4.

A motion was made by Weideman and seconded by Josephson to approve the October 31, 2023, Special Meeting Minutes. Motion passed.

Present

Agenda

Minutes

Special  
Meeting  
Minutes

---

Secretary

5.

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

Application for Membership and Termination of Electric Service were presented for consideration.

**NEW SERVICE (New Construction)-15**

**TRANSFER OF OWNERSHIP (Existing Construction)-17**

**TRANSFER OF RENTER-1**

**TERMINATION OF MEMBERSHIP (Name Change Only)-4**

**TERMINATION OF MEMBERSHIP-26**

6.

Nick Christensen and Lyle Fox from Burlington Express Hospitality and Jeff Borling from Great River Energy (GRE) joined the Board meeting to discuss a proposed development of a 93-room Holiday Inn Express in Two Harbors, MN located at 1329 Highway 61 the former VFW location. This hotel will have 93 rooms, handicap accessible, a pool area with a hot tub, conference room, main floor lobby with sitting area, fitness room, and outside sitting areas. They are requesting a grant loan from CLP through USDA Rural Economic Development Loan & Grant Program. This program provides funding for rural projects through local utility organizations. USDA provides zero-interest loans to local utilities which they, in turn, pass through to local businesses for projects that will create and retain employment in rural areas. CLP would impose a 1% fee for administrative costs. Borling will develop a formal application and have it back to the Board for their approval before the next Board meeting on December 27, 2023. If approved, a Resolution is needed along with the application before submitting to USDA. Within a few weeks of submitting, USDA will acknowledge receiving and the process will begin.

Consent Agenda

Applications and Terminations

Holiday Inn Express

---

Secretary

<p style="text-align: center;">7.</p> <p>The Operating Margin for the month of September was a positive \$83,506 as compared to a budgeted figure of a negative \$9,026 for a positive variance of \$92,532. Non-Operating Margins-Interest for the month of September was positive \$12,673 as compared to a budgeted figure of positive \$1,640 for a positive variance of \$11,033. Non-Operating Margins-Other for the month of September was a positive \$528 as compared to a budgeted figure of a positive \$2,500 for a negative variance of \$1,972. Other Capital Credits &amp; Patronage Other for the month of September was a positive \$2,602 as compared to a budgeted figure of positive \$5,000, for a negative variance of \$2,398. This resulted in a total margin for the month of September of a positive \$99,309 as compared to a budgeted figure of a positive \$114 for a positive variance of \$99,195.</p>	<p>September Financials</p>
<p style="text-align: center;">8.</p> <p>A motion was made by Larsen and seconded by Peterson to approve the September financials. Motion passed.</p>	<p>Financial Approval</p>
<p style="text-align: center;">9.</p> <p>Member owner Geoff Tolley spoke to the Board about Hybrids and EV's in the market.</p>	<p>Member Owner</p>
<p style="text-align: center;">10.</p> <p>Business Manager Olson addressed the Board on Integrated Vegetation Management (IVM) and grant updates.</p> <ul style="list-style-type: none"> <li>• CLP was successfully awarded the Topic I Wildfire grant and work will begin in 2024 to convert overhead to underground at Mitawan Lake. CLP applied for a State Competitiveness Grant that would match part of our portion. CLP applied for 50% reimbursement of our share that we would have to pay for that awarded grant.</li> <li>• CLP is working with Star Engineering and applying for another grant, Topic I Resiliency, to try to receive money to convert single phase overhead line to underground</li> <li>• Right of Way (ROW) is wrapping the year up with Finland to Murphy City completed.</li> <li>• Starting in Brimson near Hugo's to George Lake</li> <li>• Had to stop at Gun Club Road due to warm weather and the</li> </ul>	<p>Manager Reports</p> <hr style="width: 100%;"/> <p style="text-align: right;">Secretary</p>



<p>Loan Fund</p> <ul style="list-style-type: none"> <li>• Completed the 2024 budget</li> <li>• Interviewing for the position for Energy Service Representative/Master Electrician</li> <li>• Continuing to work on updating policies and redistricting boundaries</li> <li>• Attended Zoom meeting regarding the New ERA Opportunity (GRE)</li> <li>• Received a few phone calls from seasonal members regarding rate adjustment</li> <li>• Submitted the application for the State Competitiveness Grant. Requesting \$50,000.00 from the Minnesota State Competitiveness Fund to help offset the cost of the project. Referring to the recently awarded grant that will cover a project that will relocate 3.3 miles of overhead distribution near Isabella, MN to underground distribution line.</li> </ul> <p>GRE Report</p> <ul style="list-style-type: none"> <li>• CEO's Report (David Saggau)</li> <li>• Financial Update (Michelle Strobel)</li> <li>• 2024 Budget Highlights (Michelle Strobel)</li> <li>• New Program Design (Anna Vanuma/Sarah Komoroski)</li> <li>• Transmission (Dick Pursley)</li> </ul> <p style="text-align: center;">12.</p> <p>President Veitenheimer reported on the GRE Board meeting he attended November 1 and 2. He reported on:</p> <ul style="list-style-type: none"> <li>• Compensation Committee reviewed Board Policy 105 regarding compensation, reimbursement, and retention. It also did the annual review of board compensation and expenses.</li> <li>• Seven resolutions were approved:       <ol style="list-style-type: none"> <li>1) 2024 budgets and wholesale rates</li> <li>2) Supplemental indenture adding a parcel to the indenture legal description</li> <li>3) 2024 use of eminent domain</li> <li>4) Northland Reliability Project</li> <li>5) Alexandria- Big Oakes Project</li> <li>6) Transmission Facilities Construction Agreement</li> <li>7) Articles and Bylaws Revisions</li> </ol> </li> <li>• December actions include Margin Planning, Transmission Energy Rate and Transmission Service Contract, and Hennepin Energy Recovery Center (HERC) operation term.</li> </ul>	<p>GRE Board Meeting</p> <hr/> <p>Secretary</p>
--	---

<p style="text-align: center;">13.</p> <p>A motion was made by Weideman and seconded by Josephson to approve the Resolution on Capital Credits Retirements. Roll call. Larsen, yes. Weideman, yes. Josephson, yes. Peterson, yes. Veitenheimer, yes. Motion passed.</p>	<p>Resolution on Capital Credits Retirements</p>
<p style="text-align: center;">14.</p> <p>A motion was made by Peterson and seconded by Larsen to retain 2024 MREA voting delegate Veitenheimer and alternate Weideman. Motion passed.</p>	<p>MREA Voting Delegate &amp; Alternate</p>
<p style="text-align: center;">15.</p> <p>A motion was made by Weideman and seconded by Peterson to vote “no” on the GRE Resolution No. GRE R23-11-7 Certificate of Amended and Restated Articles of Incorporation and Restated Bylaws due to lack of information. After much discussion, a motion was made by Weideman and seconded by Peterson to rescind this motion.</p>	<p>GRE Resolution R23-11-7</p>
<p style="text-align: center;">16.</p> <p>A motion was made by Weideman and seconded by Peterson to vote on the GRE Resolution No. GRE R23-11-7 Certificate of Amended and Restated Articles of Incorporation and Restated Bylaws. Discussion was held on sending GRE a letter stating their displeasure in CLP receiving information in a unreasonable amount of time. Roll call. Larsen, yes. Josephson, yes. Weideman, no. Peterson, yes. Veitenheimer, yes. Motion passed.</p>	<p>GRE Resolution R23-11-7</p>
<p style="text-align: center;">17.</p> <p>A motion was made by Weideman and seconded by Larsen to approve the 2024 Budget. Motion passed.</p>	<p>2024 Budget</p>
<p style="text-align: center;">18.</p> <p>A motion was made by Weideman and seconded by Josephson to approve the Corporate Debt Limit Resolution. Roll call. Larsen, yes. Weideman, yes. Josephson, yes. Peterson, yes. Veitenheimer, yes. Motion passed.</p>	<p>Corporate Debt Limit Resolution</p> <hr/> <p style="text-align: right;">Secretary</p>

<p style="text-align: center;">19.</p> <p>The Board has agreed to amend the Articles of Incorporation &amp; Bylaws at the 2025 Annual Meeting.</p>	<p>Articles of Incorporation &amp; Bylaws</p>
<p style="text-align: center;">20.</p> <p>The Board was given potential dates that were left for Strategic Planning -2024 Conducted CFC. The Board agreed to the combination of dates for May 14, 15, or 16.</p>	<p>Strategic Planning</p>
<p style="text-align: center;">21.</p> <p>The 2024 Annual Meeting date has been set for April 17, 2024. CEO Janorschke and the Board discussed how the format of the meeting should take place regarding questions and answers. CEO Janorschke and Attorney Felstul and staff will work on different options and bring their ideas back to the December or January Board meeting to review.</p>	<p>Annual Meeting</p>
<p style="text-align: center;">22.</p> <p>The Board asked for data to be reviewed on Board meetings and ZOOM. Business Manager Olson will comply with a summary for the Board to review. CEO Janorschke along with the Board, believe that ZOOM is good for transparency and gives the opportunity for members to be more involved.</p>	<p>Zoom Meetings</p>
<p style="text-align: center;">23.</p> <p>The Board discussed the date for the next Board meeting. The next board meeting date is set for December 27, 2023, at 9:00 a.m.</p>	<p>Next Meeting</p>
<p style="text-align: center;">24.</p> <p>There being no further business to come before said meeting, adjournment was called for at 3:32 p.m. with a motion from Peterson and a second by Larsen. Motion carried.</p>	<p>Adjournment</p>
<p>CORPORATE SEAL</p>	<p style="text-align: center;">_____ Steve Josephson, Secretary</p> <p style="text-align: center;">_____ Secretary</p>

