

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 December 16, 2020 with the participation of Greg Lien, Alis Stevens, Pat Schmieder, Scott Veitenheimer and Robert Nikolai. The directors attended the meeting by means of video conference to comply with Minnesota Department of Health social distance and meeting guidelines. All directors were present at the time the meeting was called to order at 9:05 a.m. Also present for all or parts of the meeting were General Manager/CEO Hal Halpern, Office Managers Spring Detlefsen and Susan Schmitz, Communications Manager Kevin Olson, Marketing Manager Carey Hogenson, Member Services Manager Ken Jones and Operations Manager Larry Sandretsky.

Present

2.

A motion was made by Robert Nikolai and seconded by Alis Stevens to accept the agenda with additions to incorporate reports of auxiliary meetings, including CLP representation at GRE, monthly safety meeting, subcommittee overseeing member-owners right of way related concerns and group assessing board compensation. A further agenda addition was regarding renewable energy. Motion carried.

Agenda

3.

A motion was made by Alis Stevens and seconded by Pat Schmieder to approve the board meeting minutes from November 18, 2020 with revisions noted. Motion carried. The board also reiterated the value of posting meeting minutes on CLP's website and a summary version in PowerLines consistent with the strategic directive of increased transparency.

Minutes

4.

The Operating Margin for the month of October was a negative of \$37,277 as compared to a budgeted figure of a negative \$59,706 for a positive variance of \$22,429. Non-Operating Margins-Interest for the month of October was \$14,762 as compared to a budgeted figure of \$10,533 for a positive variance of \$4,229. Non-Operating Margins-Other for the month of October was a negative \$11,487 as compared to a budgeted figure of a negative \$6,283 for a negative variance of \$5,204. Other Cap Credits & Patronage for the month of October was \$0 as compared to a budgeted figure of \$0 for a variance of \$-0-. This resulted in a total margin for the month of October of a negative \$34,002 as compared to a budgeted figure of a negative \$55,456 for a positive variance of \$21,454.

Manager's Report

Secretary

<p style="text-align: center;">5.</p> <p>During the review of the finances, questions on higher than recently observed line loss came up and potential reasons, such as temperature, tree growth and other potential factors were discussed. Further clarification on possible factors will be reviewed and assessed during January’s meeting.</p> <p>The directors also inquired about the balance of accounts receivables, its relation to CLP's collection policy, Covid 19 related payment delays and drop in commercial usage.</p> <p>A motion was made by Scott Veitenheimer and seconded by Robert Nikolai to accept the financial reports. Motion carried.</p>	<p>Financial</p>
<p style="text-align: center;">6</p> <p>The consent agenda consisting of the following was reviewed. A motion was made by Scott Veitenheimer and seconded by Pat Schmieder to accept the consent agenda. Motion approved.</p> <ul style="list-style-type: none"> • Applications and Terminations • Monthly Payments • Correspondence <p>Applications for Membership and Termination of Electric Service were presented for consideration.</p> <p>NEW SERVICE 3</p> <p>TRANSFER OF OWNERSHIP 30</p> <p>TERMINATION OF MEMBERSHIP (Name Change Only) 2</p> <p>TRANSFER OF RENTER 2</p> <p>TRANSFER OF SERVICE 1</p> <p>TERMINATION OF MEBERSHIP 46</p> <p>Monthly Payments: The list of expenses was reviewed with some discussions on operating expenses.</p> <p>The following correspondence was included in the consent agenda:</p>	<p>Consent Agenda</p> <p>Applications and Terminations</p> <p>Monthly Payments</p> <p>Correspondence</p> <hr style="width: 100px; margin-left: auto; margin-right: 0;"/> <p style="text-align: right;">Secretary</p>

<p>A note from the Knife River Heritage and Culture Center for CLP’s support of a \$2,340 grant, providing aerial equipment and crews' help to raise the flag pole and the order board.</p>	<p>Knife River Heritage and Culture Center</p>
<p style="text-align: center;">7.</p> <p>The Board reviewed the revised preliminary budget, which was adjusted to incorporate the Board's demand to align some cost elements with the strategic plan, member owners' needs and current financial condition. The final version of the budget will be reviewed and voted on during the January meeting.</p>	<p>2021 Budget</p>
<p style="text-align: center;">8.</p> <p>The Board implemented the resolution to confirm that Hal Halpern and Susan Schmitz shall be responsible for submitting and certifying the data requested by Rural Utilities Service Development.</p>	<p>RUS Data Submission</p>
<p style="text-align: center;">9.</p> <p>The Board reviewed Whistle-blower Policy I -23, and recommended to revise it, naming Susan Schmitz as Compliance Policy Officer. Further, the Board determined to schedule policy reviews throughout 2Q21 and 3Q21 to ensure they are current.</p>	<p>Policy Revision</p>
<p style="text-align: center;">10.</p> <p>As an effort to increase transparency, the Board requested, that all subcommittees and group representatives provide a monthly summary on the meetings they attended. As such following Board Directors will report:</p> <p>Scott Veitenheimer - GRE Meetings Alis Stevens – Safety Meetings Pat Schmieder and Alis Stevens – Right of Way Advisory Board activities</p>	<p>Committee Reports</p>
<p style="text-align: center;">11.</p> <p>At 11:48 a.m. a motion was made by Scott Veitenheimer and seconded by Pat Schmieder to move the meeting to executive session to discuss broadband and finances. Motion carried at 12:09p.m. a motion was made by Scott Veitenheimer and seconded by Robert Nikolai to exit the executive session. Motion carried.</p>	<p>Executive Session</p>
<p style="text-align: center;">12.</p> <p>After review of data provided during executive session and changes in current circumstances, a motion was made by Pat Schmieder and seconded by Scott Veitenheimer to agree with staff recommendations on broadband grant applications. Motion carried.</p>	<p>Broadband Grant Application</p>
<p style="text-align: center;">13.</p>	<p>Secretary</p>

<p>The CLP staff reported activities in their respective groups and clarified questions.</p> <p>Kevin Olson reported on tower battery maintenance, office computer hard drive failure and Honeywell/GRE load control meetings.</p> <p>Marketing Manager Carey Hogenson reported on 2021 calendars, Caring Loving People (CLP) Toy drive, CLP Caring Closet and CLP's presence on social media.</p> <p>Member Services Manager Ken Jones reported on efforts to identify root causes of NRG generator failures at LP. He also updated the Board on a 12-month demo of a heavy-duty EV forklift at LP, with a potential to replace propane lifts on site.</p> <p>Operations Manager Larry Sandretsky reported on line loss. More data on line loss will be discussed during the January meeting.</p> <p style="text-align: center;">14.</p> <p>There being no further business to come before said meeting, adjournment was called for at 3:45 pm with a motion from Robert Nikolai and seconded by Scott Veitenheimer. Motion carried.</p> <p style="text-align: center;">_____ ALIS STEVENS, Secretary</p> <p>CORPORATE SEAL</p>	<p>Staff Reports</p> <p>Communication Manager</p> <p>Marketing</p> <p>Member Services</p> <p>Operations</p> <p>Adjournment</p> <p style="text-align: center;">_____ Secretary</p>
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