

<p>Cooperative Light &amp; Power Two Harbors, Minnesota</p> <p>Regular Meeting of the Board of Directors</p>	
<p>1.</p> <p>A regular meeting of the Cooperative Light &amp; 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 23, 2020. All directors were present at the time the meeting was called to order at 10:08 a.m. Also present for all or parts of the meeting were General Manager Hal Halpern, Office Manager Spring Detlefsen, Marketing Manager Carey Hogenson, Operations Manager Larry Sandretsky and Communications Manager Kevin Olson. Member Patricia Schmieder also attended parts of the meeting.</p>	<p>Present</p>
<p>2.</p> <p>A motion was made by Alis Stevens and seconded by Scott Veitenheimer to accept the agenda as amended with the following additional items, those being 1) Revenue Deferral Resolution 2) Energy Storage 3) Easement and parking lot in the 2020 budget 4) Validation of GRE Metering 5) KPI for CEO</p>	<p>Agenda</p>
<p>3.</p> <p>A motion was made by Robert Nikolai and seconded by Scott Veitenheimer to approve the minutes from the meeting held on December 19, 2019, with corrections noted. Motion carried.</p>	<p>Minutes</p>
<p>4.</p> <p>Upon further discussions and clarifications on non-operating margins, as well as the prepay on retirement account as projected by NRECA and straight-lined by actual CLP assessments, a motion was made by Gregory Lien and accepted by Alis Stevens to approve revised 2020 budget, as amended with the inclusion of easement documentation and parking lot expenses.</p>	<p>2020 Budget</p>
<p>5.</p> <p>Discussion ensued on the revenue deferral plan by the Rural Utility Service (RUS) to apply \$95,000 of CLP's 2019 revenue to 2020 right of way clearing. A motion was made by Robert Nikolai and seconded by Scott Veitenheimer to direct and authorize the CLP management and staff to make the request of the RUS and to segregate the cash equivalent of the amount in a special fund until such time as the like amount is subsequently amortized into revenue without any adverse financial impact on CLP's cash flow or 2020 revenue. Motion carried after a roll call with 5 'yea's, 0 'nay'.</p>	<p>Revenue Deferral Resolution</p>
	<hr/> <p>Secretary</p>

<p style="text-align: center;">6.</p> <p>Office Manager Spring Detlefsen proposed to accelerate wireless assets' depreciation to 48 months without any negative impact on CLP's financials. A motion was made by Alis Stevens and seconded by Scott Veitenheimer to accelerate the depreciation. Motion carried</p>	<p>Wireless Asset Depreciation</p>
<p style="text-align: center;">7.</p> <p>The board discussed possible topics for the keynote speaker at the annual meeting. Proposed subjects include environmental issues, such as future of renewables, right of way clearing and changing role of co-ops in current environmental backdrop, as well as financial, i.e. upcoming cost of service study. Further inquiry will be made by Carey Hogenson on availability of possible speakers.</p>	<p>Keynote Speaker at Annual Meeting</p>
<p style="text-align: center;">8.</p> <p>Discussion ensued on OSHA emergency response training, including active shooter assessment and cyber security for cooperatives. A pilot program suggested by GRE has been evaluated by Kevin Olson and the cooperative is signed up to benefit from the training. Further activities will encompass the preparation of a comprehensive emergency response plan.</p>	<p>Emergency Response Plan</p>
<p style="text-align: center;">9.</p> <p>The board went into executive session at 1:40 pm with a motion by Gregory Lien and seconded by Alis Stevens to discuss a confidential program on energy storage. Further discussion focused on various projects and the cost/benefit potential of this particular plan to GRE. A motion was made by Robert Nikolai and seconded by Scott Veitenheimer to exit the executive session at 1:56pm. In the regular session of the meeting, a motion was made by Scott Veitenheimer and seconded by Robert Nikolai to approve GRE's request to vote in favor of the energy storage pilot project. Motion carried.</p>	<p>Energy Storage</p>
<p style="text-align: center;">10.</p> <p>The consent agenda consisting of the following was reviewed. A motion was made by Robert Nikolai and seconded by Scott Veitenheimer to accept the consent agenda without further action.</p> <ul style="list-style-type: none"> <li>• Applications and Terminations</li> <li>• Monthly Payments</li> <li>• Correspondence</li> </ul>	<p>Consent Agenda</p> <hr style="width: 100%; margin-top: 20px;"/> <p style="text-align: right;">Secretary</p>

<p>Applications for Membership and Termination of Electric Service were presented for consideration.</p>	<p>Applications and Terminations</p>
<p><b>TRANSFER OF OWNERSHIP- 14</b>  <b>TRANSFER OF OWNERSHIP (NAME CHANGE ONLY)- 1</b>  <b>TRANSFER OF RENTER- 2</b>  <b>TERMINATION OF MEMBERSHIP- 52</b></p>	
<p><b>Correspondence:</b> The following items were under correspondence:</p>	<p>Correspondence</p>
<p>A thank you note from the Silver Bay Library for CLP’s contribution to the tea group.</p>	<p>Silver Bay Library</p>
<p>A thank you note from Two Harbors Agates for CLP’s contribution to the “Rock Solid Robotics” program.</p>	<p>THHS Robotics</p>
<p>A thank you letter from Friends of the Finland Community for CLP’s contribution in youth programs.</p>	<p>Friends of Finland</p>
<p>A thank you letter from Lake County Sex Trafficking Task Force for CLP’s contribution to continue their commitment for education and assistance to provide resources, accommodations and health care.</p>	<p>Lake County Sex Trafficking Task Force</p>
<p>A letter by the auditing company outlining their understanding of 2020 deliverables and the service they will provide when auditing the 2019 finances of CLP.</p>	<p>Auditing Company</p>
<p style="text-align: center;">11.</p>	
<p>A motion was made by Gregory Lien and seconded by Robert Nikolai to nominate Alis Stevens as primary voting delegate and Scott Veitenheimer as alternative voting delegate for the NRECA annual meeting.</p>	<p>NRECA, NRTC, CFC Annual Meetings</p>
<p>A motion was made by Gregory Lien and seconded by Robert Nikolai to nominate Scott Veitenheimer as primary voting delegate and Alis Stevens as alternative voting delegate for the NRTC annual meeting.</p>	
<p>Discussion ensued on CLP’s participation in NRECA annual meeting in New Orleans, Louisiana, and the associated travel cost. A motion was made by Alis Stevens and seconded by Scott Veitenheimer to forego sending a delegate to the meeting in 2020 due to the high cost of travel. Motion carried.</p>	
<p style="text-align: center;">12.</p>	
<p>The board reviewed December 2019 outages, inquired the causes and evaluated possible measures to offset them. A motion was made by Robert Nikolai and seconded by Alis Stevens to accept the outage reports for the month of December 2019. Motion carried.</p>	<p>Outage Report</p>
	<p style="text-align: right;">Secretary</p>

<p style="text-align: center;">13.</p> <p>The board reviewed December 2019 line loss data (YTD 4.9%) and requested continued diligent tracking on a monthly basis. Further consideration will be given during a special meeting to set CEO KPI's for performance evaluation.</p>	Line Loss
<p style="text-align: center;">14.</p> <p>The Senior Staff presented their department reports to the board. Office Manager Spring Detlefsen clarified questions on check registry. She also clarified some concerns from the December meeting on leasing vs. buying the electric vehicle for CLP. After careful consideration on upfront cost, benefits of depreciation, mileage restriction and residual value, the management decided to buy the vehicle, rather than leasing as originally planned.</p>	Buy vs. Lease
<p style="text-align: center;">15.</p> <p>Marketing Manager Carey Hogenson reported on CLP's decision to award the Westholm scholarship based on an essay by prospective students on their community involvement, different interests and activities, rather than just GPA. Carey then presented a preliminary plan on the usage of the EV vehicle, EV charger marketing plan and increased visibility of CLP's commitment. Scott Veitenheimer suggested that CLP should update the logo to represent our future direction and new strategic plans. Hal Halpern and Carey Hogenson will develop new logo design options and also an estimate of the conversion costs to vehicles, sign, etc. and the timing of the change. The marketing department also reported on the progress of the Co-op Store, still on track to be ready for members by the Annual Meeting of 2020. Carey is finalizing the Emergency Response Plan as directed by RUS.</p>	Marketing
<p style="text-align: center;">16.</p> <p>Kevin Olson, Communication Manager, was on hand to present the installation of blink security cams and additional measures to enhance substation security. Kevin also updated the board on why CLP did not receive the broadband grant and what the next steps are.</p>	Communications Management
<p style="text-align: center;">17.</p> <p>Larry Sandretsky updated the board on the crew's activities, the December safety topic on oil spills and hearing protection. Discussion ensued on mechanical vs. chemical Right-Of-Way clearing. As a condition to defer revenue of \$95,000 to ROW, the operations group will update the Board regularly on the progress. The operations group will also present a plan on validating GRE's meter multiplier at the substation.</p>	Operations
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18.

There being no further business to come before said meeting, adjournment was called for at 4:05 p.m. with a motion from Robert Nikolai and a second from Scott Veitenheimer. Motion carried.

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ALIS STEVENS, Secretary

CORPORATE SEAL

Adjournment

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Secretary

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