

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 February 20, 2020. All directors were present at the time the meeting was called to order at 9:57 a.m. Also present for all or parts of the meeting were General Manager/CEO Hal Halpern, Office Manager Spring Detlefsen, Marketing Manager Carey Hogenson, Communication Manager Kevin Olson and Member Services Manager Ken Jones. Member Patricia Schmieder and MREA CEO Darrick Moe also attended parts of the meeting.

Present

2.

A motion was made by Scott Veitenheimer and seconded by Robert Nikolai to accept the agenda.

Agenda

3.

A motion was made by Scott Veitenheimer and seconded by Robert Nikolai to approve the minutes from the meeting held on January 20, 2020, with corrections noted. Motion carried.

Minutes

4.

Upon further discussions and clarifications on finances, a request was made to provide a more legible proforma vs. budget comparison.

Finances

5.

Discussion ensued on actual 2019 line loss results of 4.98% and the proposed line loss ratio key performance indicator (KPI) tied to the strategic plan.

Line Loss KPI

6.

An overview of the GRE renewable meeting on 1/30/2020 at CLP and the presentation by Greg Padden, GRE Director of Resource Planning and Markets was discussed. 61 CLP members attended the meeting where Greg summarized GRE's generation sources, MISO, the future of renewable energy and GRE plans for the existing coal plants. The meeting was concluded with a question/answer session by members in attendance and received very positive feedback by all.

Renewable
Energy

Secretary

<p style="text-align: center;">7.</p> <p>Potential speakers for the CLP Annual Meeting was reviewed with a decision to move forward with a presentation by the Dark Skies Organization and a topic to be determined and presented by CFC.</p>	<p>Annual Meeting Speakers</p>
<p style="text-align: center;">8.</p> <p>Darrick Moe, CEO of Minnesota Rural Electric Associations (MREA) joined the group with an overview of MREA’s services to Minnesota electric cooperatives consisting of legislative support, education and training as well as safety documentation. Darrick mentioned upcoming legislative and regulatory efforts on broadband bill, inclusion of electric vehicles into State Implementation Plan (SIP) credits for emission reduction, PUC meter data, and legislation on Clean Energy restricting implementation and replacement of any generation to a carbon-free source. Darrick also presented a proposed fee adjustment plan for 2021 and answered questions on the reasons for adjustment and the impact on CLP. The plan will require a resolution by member cooperatives during MREA’s Annual Meeting in March.</p>	<p>MREA</p>
<p style="text-align: center;">9.</p> <p>CLP will participate in a free of charge OSHA training on March 29 and 30, on recognizing, avoiding and further preparedness against a potential active shooter incident.</p>	<p>Active Shooter Preparedness</p>
<p style="text-align: center;">10.</p> <p>Following notifications were made to the Board without any need for further action:</p> <ul style="list-style-type: none"> • Life insurance Benefit Profiles were reviewed and profiles were updated as needed. • An addendum to Betula loan has been initiated extending due date from February 2020 to February 2023 to benefit from low interest rate of ½% under prime. • 2019 Revenue Deferral Plan diverting revenue funds to right of way clearing is approved by RUS 	<p>Life Insurance</p> <p>Betula Loan</p> <p>Revenue Deferral</p>
<p style="text-align: center;">11.</p> <p>The consent agenda consisting of the following was reviewed. A motion was made by Greg Lien and seconded by Alis Stevens to accept the consent agenda without further action.</p> <ul style="list-style-type: none"> • Applications and Terminations • Monthly Payments • Correspondence 	<p>Consent Agenda</p> <hr/> <p>Secretary</p>

<p>Applications for Membership and Termination of Electric Service were presented for consideration.</p> <p>NEW SERVICE -0 TRANSFER OF OWNERSHIP- 17 TRANSFER OF OWNERSHIP (NAME CHANGE ONLY)- 6 TRANSFER OF RENTER- 3 TRANFER OF CLASS- 2 TERMINATION OF MEMBERSHIP- 13</p>	<p>Applications and Terminations</p>
<p>Correspondence: The following items were under correspondence:</p>	<p>Correspondence</p>
<p>A thank you note from the Minnesota Public Radio for renewing CLP’s membership and the contribution.</p>	<p>MPR</p>
<p>A thank you note from a group of 61 members for hosting a renewable energy meeting at CLP and the subsequent presentation by Greg Padden summarizing current generation status and future plans to increase renewable energy.</p>	<p>Members at Renewable Meeting</p>
<p>12.</p> <p>The board reviewed January 2020 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 January 2020. Motion carried.</p>	<p>Outage Report</p>
<p>13.</p> <p>The board reviewed January 2020 line loss data (YTD 4.9%) and requested continued diligent tracking on a monthly basis as well as consideration of a new line loss and KPI goal.</p>	<p>Line Loss</p>
<p>14.</p> <p>GRE’s upcoming Annual Meeting in April and the nomination of a CLP Board Director to the GRE Board has been discussed. A motion was made by Alis Stevens and seconded by Scott Veitenheimer to nominate Peggy Kuettel to the GRE Board representing CLP. Further discussion ensued on nominating a voting delegate for the GRE Board resolutions. A motion was made by Gregory Lien and seconded by Scott Veitenheimer to nominate Peggy Kuettel as primary voting delegate and Alis Stevens as alternative voting delegate during the April 2020 GRE Annual Meeting.</p>	<p>GRE Annual Meeting</p> <p>Board Member Delegation</p>
	<hr/> <p>Secretary</p>

<p style="text-align: center;">15.</p> <p>Office Manager Spring Detlefsen clarified questions on check registry. She also clarified some questions on Betula Loan and the financial summary of the EV purchase.</p>	<p>Financials</p>
<p style="text-align: center;">16.</p> <p>Marketing Manager Carey Hogenson reported on:</p> <ul style="list-style-type: none"> • Response of student applications for Westholm scholarship. The essays and anonymous application forms will be made available to the Board for selection of the successful candidate during the April Board Meeting. • Soft opening of the CLP store which is now set up with promotional items and documentation on services CLP offers, as well as on energy related products. The store will be available for members' purchases as soon as accounting and taxation questions are cleared. • Progress on Emergency Response Plan which will be reviewed by the Board during March 2020 meeting. • Ongoing plans to update CLP's logo, website, and telephone directory subscription to keep all contact information consistent across all CLP portals and applications. • Senior staff is working on evaluating a new auto-dialing system to notify members of planned outages. • CLP is supporting Girl Scouts by making the site available for the sale of cookies and by serving Girl Scout cookies and coffee in the lobby. 	<p>Marketing</p>
<p style="text-align: center;">17.</p> <p>Kevin Olson, Communication manager, was on hand to report on:</p> <ul style="list-style-type: none"> • Severe ice dam damages to cables on roofs. New router installs. • Work on Blink camera for new CLP charging station • Work with PERMAR for pole yard camera maintenance and updated and additional substation security 	<p>Communication Management</p>
<p>Kevin also summarized CLP's efforts and the collaboration with VantagePoint on the 2020 broadband roadmap: The FCC Rural Digital Opportunity Fund (RDOF) will be a two-phase reverse auction to serve areas lacking access to 25 Mbps/3 Mbps. RDOF will include a two-step application process and firm build-out requirement milestones. The Short Form application must be completed and approved in order to bid. The Long Form application must be completed and approved in order to receive support. The funds available through RDOF will be paid out in monthly support amounts over 10 years to cover operating costs of the broadband network. This is different than the MN Border to Border grant where the funds pay out a portion of the build out costs. CLP's next broadband strategy for 2020 is to break the 2019 MN Border to Border grant into two sections, North and South, for 2020. CLP will also apply for FCC RDOF for the same South section. CLP will be applying for Grants combined with loans to fund these three projects.</p>	<p>Broadband Roadmap</p>
	<hr/> <p style="text-align: center;">Secretary</p>

18.

Ken Jones updated the board on additional solar installations, EV car chargers and the installation of off-peak heat.

Further discussions ensued to prepare an overview of existing renewable energy sources and the feasibility of each alternative. The Board requested a comprehensive cost-benefit analysis of existing and known options to review and to map next steps to grow CLP's renewable energy portfolio.

19.

A motion was made by Alis Stevens at 4:15 pm and seconded by Robert Nikolai to go into Executive Session to discuss personnel related issues. The board came out of the executive session at 4:55 after a motion by Scott Veitenheimer and a second by Gregory Lien.

20.

There being no further business to come before said meeting, adjournment was called for at 5:00 p.m. with a motion from Robert Nikolai and a second from Scott Veitenheimer. Motion carried.

ALIS STEVENS, Secretary

CORPORATE SEAL

Member Services
Renewable
Energy Sources

Personnel Issues

Adjournment

Secretary

Secretary