

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 March 26, 2020, with the participation of Peggy Kuettel and Robert Nikolai in person and the attendance of Alis Stevens, Scott Veitenheimer and Gregory Lien telephonically, in keeping with Minnesota Governor Tim Walz's issue of 'Stay at Home' order. All directors were present at the time the meeting was called to order at 9:47 am. Also present for all or parts of the meeting were General Manager/CEO Hal Halpern and Office Manager Spring Detlefsen.

Present

2.

A motion was made by Robert Nikolai and seconded by Scott Veitenheimer to accept the agenda with revisions to include elections due to the annual meeting postponement and relief to members unable to pay due to Covid19.

Agenda

3.

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

Minutes

4.

Spring Detlefsen clarified the difference between CoBank's available loan fund balance of \$0 vs interest and principal of \$32,962.98 paid in January, 2020. Upon further discussions on wireless depreciation, a motion was made by Robert Nikolai and seconded by Scott Veitenheimer to accept the finances as presented. Motion carried.

Finances

5.

Spring Detlefsen notified the board of Wells Fargo's decision to close the Construction account without any notice due to inactivity. That and for reasons of faster turn-around time, a resolution was proposed to transfer the funds in the account to The Lake Bank. The resolution carried with all ayes, no nay. RUS will be notified in short order.

Banking

<p style="text-align: center;">6.</p> <p>At 10:24 am a motion was made by Alis Stevens and seconded by Gregory Lien to move to executive session to discuss a personnel issue and a confidential business potential. Motion carried. At the conclusion of the executive session, a motion was made by Scott Veitenheimer and seconded by Alis Stevens to exit the session. The motion carried and the board exited executive session at 11:28 am.</p>	<p>Executive Session</p>
<p style="text-align: center;">7.</p> <p>A resolution was discussed to postpone the annual meeting to comply with Minnesota Department of Health’s guidance on limited group settings and exposures. A motion was made by Robert Nikolai and seconded by Scott Veitenheimer to approve the resolution to postpone the annual meeting until further information and guidance is in place. The motion carried with all aye, no nay.</p>	<p>Annual Meeting</p>
<p style="text-align: center;">8.</p> <p>The group discussed if alternative election possibilities will be considered if the annual meeting is postponed indefinitely. A request was made to explore options such as mail-in vote, election by proxy, online voting etc. and the consequences of each alternative to be discussed during April’s board meeting.</p>	<p>Board Director Election</p>
<p style="text-align: center;">9.</p> <p>Operation Round-Up grant requests of \$46,250 was reviewed by the grant review board. Since the total balance on the account is \$23,719.57 a list of organizations and the proposed grant amounts for a total of \$23,400 was presented to the board. A motion was made by Alis Stevens and seconded by Gregory Lien to approve the proposal in its entirety. Motion carried.</p>	<p>Operation Round-up</p>
<p style="text-align: center;">10.</p> <p>Minnesota Rural Electric Trust (MRET)’s ballot for the election of three open board of director seats was reviewed and the qualifications of four candidates were discussed. A motion was made by Scott Veitenheimer and seconded by Gregory Lien to nominate Alis Stevens as primary and Scott Veitenheimer as alternate voter. Motion carried.</p>	<p>MRET Election</p>
<p style="text-align: center;">11.</p> <p>Cooperative Finance Corporation’s (CFC) overview of annual benefits of ownership for CLP was reviewed, including patronage capital and interest, education, integrity fund, exclusive resources, such as Key Ratio Trend Analysis (KRTA), CFC Solutions New Bulletin etc.</p>	<p>CFC Annual Benefit</p>
<p style="text-align: center;">-3-</p>	<hr/> <p style="text-align: right;">Secretary</p>

<p style="text-align: center;">12.</p> <p>A motion was made by Alis Stevens and seconded by Scott Veitenheimer to go into executive session to review 2019 CLP audited financial statements and auditing company’s governance letter were reviewed via phone conference with the auditing company Esterbrooks, Scott, Signorelli, Peterson and Smithson, Ltd. Motion carried. Upon clarification of some questions, a motion was made by Scott Veitenheimer and seconded by Alis Stevens to exit executive session. During the regular session, a motion was made by Gregory Lien to accept the audited financial statements and seconded by Alis Stevens. Motion carried.</p>	<p>Audited Financial Statements</p>
<p style="text-align: center;">13.</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"> • Applications and Terminations • Monthly Payments • Correspondence 	<p>Consent Agenda</p>
<p>Applications for Membership and Termination of Electric Service were presented for consideration.</p> <p>NEW SERVICE</p> <p>TRANSFER OF OWNERSHIP- 6</p> <p>TRANSFER OF OWNERSHIP (Name Change Only)- 1</p> <p>TRANSFER OF RENTER- 2</p> <p>TERMINATION OF MEMBERSHIP- 18</p>	<p>Applications and Terminations</p>
<p style="text-align: center;">-4-</p>	<p style="text-align: center;">Secretary</p>

<p>The following items were under correspondence:</p>	<p>Correspondence</p>
<p>A thank you letter from Two Harbors Community Radio KTWH for the annual sponsorship of the Cabin Fever Reliever.</p>	<p>KTWH</p>
<p>A thank you note from Faith's Benefit for a basket donated for the silent auction.</p>	<p>Faith's Benefit</p>
<p>A thank you note by Bonspiel Committee for a basket donated for the raffle.</p>	<p>Bonspiel Committee</p>
<p>14. Hal Halpern reported on behalf of Marketing, Member Services, Communication Management and Operations.</p>	<p>Senior Staff Reports</p>
<p>15. Office Manager Spring Detlefsen presented a resolution proposal to disperse capital credits for 2019. A motion was made by Scott Veitenheimer and seconded by Robert Nikolai to retire \$400,000 applying \$64,400 to 2014, and \$37,143 to the year 2018. The remaining funds shall be applied to fully retire the year 1993. Motion carried.</p>	<p>Financials Capital Credits</p>
<p>16. Office Manager Spring Detlefsen presented a proposal to dispose of the Unclaimed Capital Credits in the amounts of \$15,784.79 for the benefit of local community by donating it to the Cooperative Light and Power of Lake County Community Trust. A motion was made by Robert Nikolai and seconded by Alis Stevens to approve the proposal as a resolution. Motion carried.</p>	<p>Unclaimed Capital Credits</p>
<p>17. Historically Westholm scholarships have been awarded to high school students intending to attend college and distributed equally among male and female candidates. Based on some feedback from the community, the board discussed the need to incorporate students intending to continue their education in a trade school and also to reasons why grants are given to 2 male and 2 female candidates. A motion was made by Alis Stevens, seconded by Scott Veitenheimer to extend grant application requirements to trade school candidates and to award grants based on merit and qualification, rather than gender. Motion carried. The essays and anonymous application forms will be made available to the Board for selection of the successful candidate during the April Board Meeting.</p>	<p>Marketing</p>
<p>18. OSHA Training on recognizing, avoiding and further preparedness against a potential active shooter incident, scheduled for March 29 and March 30, has been rescheduled to an indefinite date.</p>	<p>OSHA Training</p>
<p>-5-</p>	<p>Secretary</p>

19.

The board reviewed February 2020 outages, inquired about the causes and evaluated possible measures to offset them. A motion was made by Alis Stevens and seconded by Robert Nikolai to accept the outage reports for the month of February 2020. Motion carried.

Outage Report

20.

There being no further business to come before said meeting, adjournment was called for at 3:51 pm with a motion from Robert Nikolai and a second from Scott Veitenheimer. Motion carried.

Adjournment

ALIS STEVENS, Secretary

CORPORATE SEAL

