

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 August 20, 2020, with the participation of Peggy Kuettel, Alis Stevens, Gregory Lien, Scott Veitenheimer and Robert Nikolai. The seating arrangements of the meeting was revised to comply with Minnesota Department of Health guidelines. All directors were present at the time the meeting was called to order at 9:43 a.m. Also present for all or parts of the meeting were General Manager/CEO Hal Halpern, Office Manager Spring Detlefsen, Communications Manager Kevin Olson, and Marketing Manager Carey Hogenson.

Present

2.

A motion was made by Scott Veitenheimer and seconded by Gregory Lien to accept the agenda with revisions to include IRRRB broadband grant. Motion carried.

Agenda

3.

A motion was made by Robert Nikolai and seconded by Alis Stevens to approve the board meeting minutes from July 23 with some revisions. Motion carried.

Minutes

4.

The Operating Margin for the month of June was a positive of \$119,000 as compared to a budgeted figure of a positive \$49,869 for a positive variance of \$69,131. Of note: \$138,000 has been recorded as revenue from the proceeds of the PPP Loan/Grant. Non-Operating Margins-Interest for the month of June was \$13,373 as compared to a budgeted figure of \$15,721 for a negative variance of \$2,348. Non-Operating Margins-Other for the month of June was a negative \$10,698 as compared to a budgeted figure of a negative \$11,243 for a positive variance of \$545. This resulted in a total margin for the month of June of a positive \$121,675 as compared to a budgeted figure of a positive \$54,347 for a positive variance of \$67,328.

Manager's Report

5.

During the review of the finances, discussion continued on projected changes in revenue and usage trends due to the Covid 19 pandemic in May, June and July. Further trends and changes will be assessed through the next months.

Financials

Secretary

<p>Upon further discussions on the use of PPP loan, capital assets and investments, a motion was made by Scott Veitenheimer and seconded by Gregory Lien to approve the finances.</p>	
<p>6.</p>	
<p>At 10:58 a.m. a motion was made by Scott Veitenheimer and seconded by Gregory Lien to move the meeting to executive session to discuss energy sourcing. Motion carried. Due to the scheduled interview with a legal counsel candidate, the executive session was recessed at 11:05 a.m. with a motion made by Scott Veitenheimer and a seconded by Gregory Lien. Motion carried.</p>	<p>Executive Session</p>
<p>7.</p>	
<p>During the June meeting the board discussed the need to proactively ensure succession for legal counsel in consideration of a possible retirement. In July the board decided to interview one of the candidate law firms with strong bench depth, accessibility and expertise in cooperative legal structure. The candidate was interviewed by board directors and the CEO. Focus points were the law firm's structure, current customer base, rate structure and expertise in labor law, litigation, as well as activities in real estate and easement documentation. The interviewee also went over their experience in grant work, broadband and labor negotiations. A decision on further steps will be defined during September meeting.</p>	<p>Legal Counsel Interview</p>
<p>8.</p>	
<p>Upon conclusion of the interview, the board resumed the executive session at 12:29 p.m. to further discuss the overview of potential renewable energy resources. At the conclusion of the executive session, a motion was made by Robert Nikolai and seconded by Scott Veitenheimer to exit the session. The motion carried and the board exited executive session at 12:50 p.m.</p>	<p>Renewable Energy Resources</p>
<p>9.</p>	
<p>The consent agenda consisting of the following was reviewed. A motion was made by Alis Stevens and seconded by Robert Nikolai to accept the consent agenda without further action.</p>	<p>Consent Agenda</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>Applications and Terminations</p>
<p>NEW SERVICES-TOTAL NUMBER: 8</p>	<hr style="width: 100px; margin-left: auto; margin-right: 0;"/> <p>Secretary</p>

<p>TRANSFER OF OWNERSHIP- TOTAL NUMBER: 38</p> <p>TRANSFER OF OWNERSHIP (Name Change Only)- TOTAL NUMBER: 5</p> <p>TRANSFER OF RENTER- TOTAL NUMBER: 10</p> <p>TERMINATION OF MEMBERSHIP-TOTAL NUMBER: 41</p>	
<p>Monthly Payments: The list of expenses was reviewed with the following discussions:</p> <p>Summary of the payments thus far, to apply for broadband grants, was reviewed. Similarly, a running list of right of way expenses, broken down by contractor and type of clearing, was evaluated.</p>	<p>Monthly Payments</p>
<p>Following correspondence was included in the consent agenda:</p> <p>There was no correspondence in the month of July to be included in the Consent Agenda.</p> <p style="text-align: center;">10.</p>	<p>Correspondence</p>
<p>Hal Halpern and Carey Hogenson went over the 2020 annual meeting preparations and summarized measures taken to ensure a safe, smooth and efficient gathering. The board reviewed the agenda and the technology that will be used to give all members the opportunity to hear the speakers and to participate, while complying with social distancing guidelines. Similarly, the election of District 1 board director was discussed, and ways to ensure safe voting were assessed.</p> <p style="text-align: center;">11.</p>	<p>Annual Meeting</p>
<p>A resolution to make by-law changes regarding annual meeting timing and participation was reviewed. A motion was made by Scott Veitenheimer and seconded by Robert Nikolai to present the resolution to the members prior to the annual meeting for their approval. Motion carried.</p> <p style="text-align: center;">12.</p>	<p>By-Law Change</p>
<p>The board reviewed July 2020 outages and inquired about the causes. Discussion ensued on members' comments on recent outages. The possibility of communicating before or during actual outages was discussed. A motion was made by Alis Stevens and seconded by Robert Nikolai to continue reviewing outages on a monthly basis and deciding on future steps if and when needed.</p>	<p>Outage Report</p> <p style="text-align: right;">_____ Secretary</p>

Motion carried.

13.

There being no further business to come before said meeting, adjournment was called for at 5:16 p.m. with a motion from Scott Veitenheimer and seconded by Robert Nikolai. Motion carried.

Adjournment

ALIS STEVENS, Secretary

CORPORATE SEAL

Secretary

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