

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 November 24, 2020 with the participation of Gregory 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.

Present

All directors were present at the time the meeting was called to order at 9:13 am. Also present for all or parts of the meeting were General Manager/CEO Hal Halpern, Office Manager Spring Detlefsen, Communications Manager Kevin Olson, Marketing Manager Carey Hogenson and Member Services Manager Ken Jones.

2.

A motion was made by Alis Stevens and seconded by Scott Veitenheimer to accept the agenda with additions to schedule December-January special meetings, to discuss a member-owners right of way related concern and to review the non-payment policy during Covid 19 pandemic.

Agenda

3.

A motion was made by Scott Veitenheimer and seconded by Robert Nikolai to approve the board meeting minutes from October 21, 2020 with revisions noted. Motion carried.

Minutes

4.

The Operating Margin for the month of September was a negative of \$37,352 as compared to a budgeted figure of a positive \$51,082 for a negative variance of \$88,434. Non-Operating Margins-Interest for the month of September was \$10,321 as compared to a budgeted figure of \$9,549 for a positive variance of \$772. Non-Operating Margins-Other for the month of September was a negative \$10,646 as compared to a budgeted figure of a negative \$15,966 for a positive variance of \$5,320. Other Cap Credits & Patronage for the month of September was \$4,217 as compared to a budgeted figure of \$1,960 for a positive variance of \$2,257. This resulted in a total margin for the month of September of a negative \$33,460 as compared to a budgeted figure of a positive \$46,625 for a negative variance of \$80,085.

Manager's Report

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Secretary

<p>During the review of the finances, clarifications on operation distribution expense and higher than planned patronage capital and operating margin were provided by Spring Detlefsen. Further discussions ensued on Covid 19 related financial impacts of member-owners' non-payments, noted decreases in commercial usage, and CLP's collection policy and efforts.</p> <p>The Board inquired about the reasons for higher than targeted line loss of 5.49% in September and requested to be apprised on detailed findings in December. Further the Board went over changes in revenue and usage trends due to Covid 19 pandemic in September, October, and November. Further trends and changes will be assessed through the upcoming months.</p> <p>With the recent changes in the Board, all directors signed up for a financial refresher by Spring Detlefsen and Sue Schmitz.</p> <p>A motion was made by Robert Nikolai and seconded by Scott Veitenheimer to accept the financial reports. Motion carried.</p> <p style="text-align: center;">5.</p>	Financial
<p>The consent agenda consisting of the following was reviewed. A motion was made by Alis Stevens and seconded by Pat Schmieder to accept the consent agenda. Motion approved.</p> <ul style="list-style-type: none"> <li>• Applications and Terminations</li> <li>• Monthly Payments</li> <li>• Correspondence</li> </ul>	Consent Agenda
<p>Applications for Membership and Termination of Electric Service were presented for consideration.</p> <p><b>NEW SERVICES 15</b></p> <p><b>TRANSFER OF OWNERSHIP 30</b></p> <p><b>TERMINATION OF MEMBERSHIP (Name Change Only) 3</b></p> <p><b>TRANSFER OF RENTER 3</b></p> <p><b>TRANSFER OF SERVICE 1</b></p> <p><b>TERMINATION OF MEMBERSHIP 16</b></p>	Applications and Terminations
	Secretary

<p>Monthly Payments: The list of expenses was reviewed with some discussions on operating expenses.</p>	<p>Monthly Payments</p>
<p>The following correspondence was included in the consent agenda:</p>	<p>Correspondence</p>
<p>A phone call by a member owner on overgrown trees under power lines and his request for right of way clearing.</p>	<p>Member Concern</p>
<p>A thank you note by a former Board Director for flowers sent from CLP staff.</p>	<p>Former Board Director</p>
<p>A thank you note by a Westholm grant recipient updating the Board on the progress of her studies.</p>	<p>Westholm Recipient</p>
<p>A thank you note from the family of James Anderson (former Board Director) for the flowers CLP sent to his funeral.</p>	<p>Al Anderson</p>
<p>A thank you note by Knife River Heritage and Cultural Center for the help of CLP staff who installed the flagpole and raised the flag at Knife River.</p>	<p>Knife River Heritage and Cultural Center</p>
<p>6.</p>	
<p>The Board reviewed the preliminary budget proposed by the staff and made some suggestions to align the budget with the strategic plan, member/owners' needs and current financial conditions. The budget will be reviewed and voted on during Decembers meeting.</p>	<p>2020 Budget</p>
<p>7.</p>	
<p>The Board reviewed a resolution on Capital Credit Retirements Refund of \$20,000. A motion was made by Robert Nikolai and seconded by Scott Veitenheimer to approve the resolution. Motion carried.</p>	<p>Capital Credit Retirement Refund</p>
<p>The Board reviewed a resolution on Capital Credit Retirement Disbursement of \$241,565. A motion was made by Scott Veitenheimer and seconded by Alis Stevens to approve the resolution. Motion carried.</p>	<p>Capital Credit Disbursement</p>
<p>The Board reviewed a resolution to implement a Revenue Deferral Plan of \$75,000. A motion was made by Scott Veitenheimer and seconded by Pat Schmieder to approve the resolution. Motion carried.</p>	<p>Revenue Deferral Plan</p>
<p>8.</p>	
<p>A motion was made by Robert Nikolai and seconded by Scott Veitenheimer to write-off bad debt of \$5,106.10 in NPV. Motion carried</p>	<p>Bad Debt Write-Off</p>
<p>9.</p>	<p>_____ Secretary</p>

<p>The Right of Way Clearing subcommittee (consisting of Gregory Lien, Pat Schmieder and Alis Stevens) updated the Board on their efforts. The minutes of the group's first meeting were reviewed with a suggestion to ask for member/owners interested in volunteering for an advisory group that would review current ROW clearing policy and practices. Upon completion of the review and deliberations the member/owner advisory group may recommend policy changes to the Board as warranted. A motion was made by Alis Stevens and seconded by Pat Schmieder to post the request for participation in the PowerLine's January issue and on the CLP's website. Motion carried.</p>	<p>RoW Clearing Subcommittee</p>
<p>10.</p>	
<p>Upcoming special events planned for December 2020 and January 2021 have been reconsidered with a decision to table a substation trip and to reschedule a phone conference with current Legal Counsel.</p>	<p>Events' Planning</p>
<p>11.</p>	
<p>Board Policy 11-5 regulating Westholm scholarship participation and acceptance rules has been reviewed. A motion was made by Scott Veitenheimer, seconded by Alis Stevens to approve changes to policy to include technical and vocational schools and to eliminate the requirement to award the scholarship to one boy and one girl. Motion carried.</p>	<p>Westholm Scholarship Policy</p>
<p>12.</p>	
<p>At 2:19 pm a motion was made by Alis Stevens and seconded by Pat Schmieder to move the meeting to executive session to discuss broadband and finances. Motion carried. At 2:38 pm a motion was made by Alis Stevens, seconded by Scott Veitenheimer to exit the executive session. Motion carried.</p>	<p>Executive Session</p>
<p>13.</p>	
<p>The CLP staff reported activities in their respective groups and clarified questions.</p>	<p>Staff Reports</p>
<p>Kevin Olson updated the Board on September – October mostly router related service calls. He also mentioned that the wireless system is at full capacity due to really high usage resulting from staff and members' Covid 19 work patterns. CLP is adjusting bandwidth control servers to try to compensate for overloads.</p>	<p>Communication Manager</p>
<p>Carey Hogenson updated the board on the planned 2021 CLP calendar, the Caring Loving People (CLP) toy drive, a new initiative to support school children with basic hygiene products as needed, and a Spring Clean-up day with possible recycling opportunities for the members. Carey will continue to update the Board on progress on current efforts.</p>	<p>Marketing</p>
	<hr/> <p>Secretary</p>

<p>Ken Jones reported on ongoing generator issues at LP. The manufacturer NRG installed data collection metering on the equipment to monitor the actual amperage, voltage, and other measures that may help identify the issues. Both NRG and LP are going over the data to come to a resolution. Ken also reported on an initiative by GRE and Minnesota Power to install a DC- fast charger in the Silver Bay area.</p>	<p>Member Services</p>
<p>Hal Halpern reported on behalf of Operations Manager on the progress on the parking lot repair. The latest outage report and Right of Way clearing expenses have also been reviewed.</p>	<p>Operations</p>
<p>14.</p>	
<p>There being no further business to come before said meeting, adjournment was called for at 4:05 pm with a motion from Robert Nikolai and seconded by Scott Veitenheimer. Motion carried.</p>	<p>Adjournment</p>
<hr style="width: 30%; margin: 0 auto;"/> <p>ALIS STEVENS, Secretary</p>	
<p>CORPORATE SEAL</p>	<hr style="width: 20%; margin: 0 auto;"/> <p>Secretary</p>