

Cooperative Light & Power  
Two Harbors, Minnesota

Regular Meeting of the Board of Directors

1.

A regular meeting of the Cooperative Light & Power Association of Lake County (CLP) Board of Directors was held at the Office of the Association at Fifteen Fifty-Four Highway Two, on April 24, 2024, with the participation of Directors Scott Veitenheimer, Roger Peterson, Steve Josephson, Kyle Weideman and Jessica Larsen.

All directors were present at the time the meeting was called to order at 9:01 a.m. Also present for the meeting were CEO Joel Janorschke, Finance Manager Shannon Haveri, Member Services/HR Manager Carey Hogenson, Energy Services Manager Ken Jones, Brandi Berquist and Sherry Fabini to take the minutes, and one member owner. Attending by means of video conference was CLP Attorney Chad Felstul.

Present

2.

A motion was made by Peterson and seconded by Larsen to approve the modified agenda. Motion passed.

Agenda

3.

A motion was made by Josephson and seconded by Weideman to approve the March 27, 2024. Motion passed.

Minutes

4.

A Motion was made by Weideman and seconded by Peterson to approve the April 17, 2024, Special Meeting Minutes. Motion passed.

Special Meeting Minutes

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Secretary

<p style="text-align: center;">5.</p> <p>The consent agenda consisting of the following was reviewed. A motion was made by Weideman and seconded by Peterson to accept the Consent Agenda. Motion passed.</p> <ul style="list-style-type: none"> <li>○ Monthly Payments – Check Register</li> <li>○ Correspondence</li> </ul>	<p>Consent Agenda</p>
<p style="text-align: center;">6.</p> <p>The Operating Margin for the month of February was a negative \$34,246 as compared to a budgeted figure of a negative \$140,945 for a positive variance of \$106,699. Non-Operating Margins-Interest for the month of February was positive \$9,744 as compared to a budgeted figure of positive \$6,326 for a positive variance of \$3,418. Non-Operating Margins-Other for the month of February was a negative \$543 as compared to a budgeted figure of a positive \$2,914 for a negative variance of \$3,457. Other Capital Credits &amp; Patronage Other for the month of February was zero as compared to a budgeted figure of zero, for a neutral variance. This resulted in a total margin for the month of February of a negative \$25,045 as compared to a budgeted figure of a negative \$131,705 for a positive variance of \$106,660.</p>	<p>February Financials</p>
<p style="text-align: center;">7.</p> <p>A motion was made by Josephson and seconded by Larsen to approve the February financials. Motion passed.</p>	<p>Financial Approval</p>
<p style="text-align: center;">8.</p> <p>Member Services/HR Manager Hogenson went over her report with the Board.</p> <ul style="list-style-type: none"> <li>○ Arrowhead Home &amp; Builders Show was a great success</li> <li>○ Lake County Chamber’s Community Career Expo Day at the Two Harbors High School went well. Lineman, Jeff Toland was there to boost interest in the Lineman profession.</li> <li>○ Annual Meeting discussion and suggestions for future Annual Meetings <ul style="list-style-type: none"> <li>◆ Registration had internet problems</li> <li>◆ Changing the Annual Meeting to a different day/night</li> </ul> </li> </ul>	<p>Managers Reports</p>

- ◆ Adding Zoom at the Community Center for the Finland Area
- ◆ Members input on day/night
- ◆ Combining Pancake Breakfast and Annual Meeting

Energy Services Manager went over his report with the Board.

- Two new heat installs
- Nine new solar arrays entered in the NOVA site and in the process of being built
- Members turned in \$2,855 in rebates in March
- Completed the CIP report for GRE
- Meeting for possible solar and load control grants
- Community Solar produced 1924 KWH
- Attending the Annual Minnesota Safety Conference at Mystic Lake to accept the CLP's safety award
- Painting is completed in both buildings
- Policy IV-33 Distributed Generation/Net Metering was reviewed and discussed with the Board.

Operations Manager Bentler was not in attendance at the meeting. The Board reviewed his written report.

- CEO Janorschke informed the Board that our new forester, Cody Jackson, accepted a new position and is leaving Davey's.

9.

CEO Janorschke provided the following reports to the Board:  
Minnesota Rural Electric Association (MREA) Update

- Salary Range Disclosure Required in Job Posting
- Companies with 30 or more employees
- Oral Fluid Testing
- Employers to use for drug & alcohol testing for job applicants
- Energy Committee held an informational hearing on nuclear moratorium
- Minnesota Energy Infrastructure Permitting Act
- Property Taxes
- ECO

CEO Report

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Secretary

- A bill that aims to simplify the administrative process of ECO and provide incentives for fuel switching programs
- A bill that modifies the process for locating underground utilities for excavation projects
- Workforce Development Scholarships
- Nuclear Moratorium

#### Grant Update

- GRIP (through DOE) –
  - Topic Area 1, Round 2: Grid Resilience & Innovation Partnerships
    - RASP (Resilience Assessment System Prediction)
- New ERA (GRE Consortium) through the USDA/RUS
  - Install 500 kW of solar generation at or near the Waldo Bank 1 Substation
  - Engie coming to give a number to install 1.2 MW at the Waldo Substation to see what the price would be
  - Installation of new load control receivers.
  - Potential for a shared site at another Cooperatives site

#### Other Matters of Interest

- Discussions with Chris McCarthy, Engie North America regard a solar array at the Waldo substation
- Continued discussions with GRE and other GRE members regarding a shared solar site
- Reviewing Annual ERP and Crisis Communication tabletop
- Responding to multiple members with questions and concerns
- Interview for the Master Electrician position
- Completed Staff reviews
- Attended MREAs legislative updates
- Negotiations continued with the Local #31 Union
- Worked the Home show
- Continued updating policies with Staff
- Attended weekly Zoom Meetings regarding

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RASP and New ERA grants

10.

MREA Board met on April 16 and 17 at the MREA office. CEO Darrick Moe discussed the upcoming June Board Meeting which will be held outstate at Kandiyohi Power Cooperative on June 20, 2024. CEO's from the area will be invited to attend the meeting and participate in a roundtable discussion with the Board.

MREA Building

- The Board and Staff have been discussing various options for MREA's future building needs. The main reasons considering alternatives are:
  - The current building has design limitations
  - Enhanced on-site event hosting

Various options for meeting these needs have been discussed, including maintenance projects on the existing building, restoring, and expanding the existing building, purchasing, or leasing a different building, and constructing a new building at the existing location.

11.

President Veitenheimer reported on the GRE Board Meeting he attended on April 4 and 5.

Education session

1. Rate Design

- Last done in 2018
- Two phases
  - 1) Cost of Service February -June 2024
  - 2) Rate Design-June-December 2024
- MMG working with Judy Chang of Analysis Group
- Monthly meetings with MMG

2. Critical Substation Physical Security

- Ballistic attacks on substations have been constantly increasing since 2016
- GRE owns 109 transmission substations on evaluation identified 55 as critical
- Security Planning Objective: Reduce member-owner impact and improve restoration

MREA Board Meeting

GRE Board Meeting

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Secretary

3. Transmission GRIP Round 2 (Grid Resilience Innovation Partnership)

- No awards for GRE in round 1 < 10%
- Round 2 priorities include extreme weather resilience, transmission improvements, interconnection improvements and resilience for disadvantage communities
- Five leading edge technologies:
  - 1) Battery Storage
  - 2) Clean Air Breakers
  - 3) Advanced Substation Monitoring
  - 4) Storm Impact Analytics
  - 5) EMS self-healing software

Compensation Committee

- Reviewed Compensation Committee evaluation survey
- Update on retention and incentive program

Corporate Services Committee

- Overview of committee self-assessment survey-members have until 4/19/24 to complete
- Winter load management-14 events over 11 days this past winter
- Crediting option started in March
- Increased potential for morning peaks
- 2024-2025 load modifying resource (LMR) registration
- Demand response management system (DRMS)
- Economic Development
- Issues for economic development
- MN attributes to attract businesses
- Data centers. Warehouses, potential helium project in Lake County
- MN is a regional hydrogen hub and Medtech hub (Federal designations)
- Healthcare and a healthy culture
- Healthcare costs-major expense for most companies
- Medical plans-biggest cost drivers are claims and prescriptions
- GRE's plan is partially self-insured

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Secretary

- Online well-being program with high level of participation-personal accountability and responsibility
- Healthiest company in MN with 500-1500 employees
- Look at future healthcare strategies
- Strategic Planning
- Overview of strategic planning session to be held in July 2024

Board Meeting -Regular Session reviewed two resolutions that will be acted upon in May

- Resolution R24-5-1 Auditor selection for consolidated financial statements
- Resolution R24-5-2 Auditor selection for Defined Contribution Retirement Plan

CEO Report-Refer to GRE minutes in Board book

- March financial would be like January and February
- GRE increasing Operation Round Up contributions and allocation will be based on same methodology used to determine Margin's Reliability Report for 2023
- Excellent momentary and sustained outages down by 28%
- No major outages-not since 2010
- Fixed wing aerial patrols, resume in 2024 will be combined with drone patrols

Business Improvement

- Alarms place on booms trucks to alert employees of outriggers deployment

12.

CEO Janorschke reported on the GRE MMG meeting.

- David Saggau reported on the future patronage, Crow Wing Power discussion, March Financials, and the 2024 Legislation Update
- Michelle Strobel reported on the updated financial
- Judy Chang & Paul Hibbard from Analysis

GRE MMG Report

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Secretary

<p>reported on the Analysis framework, MISO cost drivers, and future scenarios</p> <ul style="list-style-type: none"> <li>○ Dick Pursley from Transmission reported on 2023 Transmission Reliability Report</li> <li>○ Gordon Pietsch from Transmission reported on Substation Security</li> <li>○ Matt Lacey from Transmission reported on GRIP Round 2 Funding</li> </ul> <p style="text-align: center;">13.</p>	
<p>The RUS Form was updated from Josephson being secretary to Larsen as the new Secretary.</p>	RUS Form 87
<p style="text-align: center;">14.</p> <p>A motion was made by Peterson and seconded by Larsen to Delete Board Policy I-2 Employee Computer Purchases Financed by CLP. Motion passed.</p>	Board Policy I-2
<p style="text-align: center;">15.</p> <p>A motion was made by Josephson and seconded by Weideman to Delete Board Policy I-12 Employee Reports to Manager. Motion passed.</p>	Board Policy I-12
<p style="text-align: center;">16.</p> <p>A motion was made by Larsen and seconded by Peterson to approve, with changes, Board Policy I-18 Voting Time. Motion passed.</p>	Board Policy I-18
<p style="text-align: center;">17.</p> <p>A motion was made by Weideman and seconded by Josephson to approve, with changes, Board Policy II-9 Insufficient Fund Checks, Insufficient Fund Automatic Clearing House Account (ACH) and Credit/Debit Card and Electronic Transactions. Motion passed.</p>	Board Policy II-9
<p style="text-align: center;">18.</p> <p>The Board discussed ways to help with donations for the Guatemala program and decided to put donation cans out when we have events and members can decide if they want to donate or not.</p>	<p>Guatemala Program</p> <hr style="width: 100%;"/> <p style="text-align: right;">Secretary</p>



<p style="text-align: center;">19.</p> <p>There were 15 applicants for the Westholm Scholarship. Six were from Two Harbors High School, two from William Kelley High School, and seven from Out of the Area High Schools. The Board choose two applicants from each of these groups to receive the scholarship.</p>	<p>Westholm Scholarship Award</p>
<p style="text-align: center;">20.</p> <p>At 12:47 p.m., a motion was made by Peterson and seconded by Weideman o enter into a Closed Meeting to discuss union negotiation updates. At the conclusion of the discussion, a motion was made by Larsen and seconded by Peterson to exit the session at 1:30 p.m. Motion passed.</p>	<p>Closed Meeting Union Negotiations</p>
<p style="text-align: center;">21.</p> <p>A motion was made by Josephson and seconded by Weideman to pass USDA/GRE Consortium Application Resolution. Roll call vote. Larsen, yes. Weideman, yes. Josephson, yes. Peterson, yes. Veitenheimer, yes. Motion passed.</p>	<p>USDA/GRE Consortium Resolution</p>
<p style="text-align: center;">22.</p> <p>The Board discussed the date for the next Board meeting. The next board meeting date is set for May 22, 2024, at 9:00 a.m.</p>	<p>Next Meeting</p>
<p style="text-align: center;">23.</p> <p>There being no further business to come before said meeting, adjournment was called for at 1:41 p.m. with a motion from Peterson and a second by Larsen. Motion carried.</p>	<p>Adjournment</p>
<p>CORPORATE SEAL</p>	<p style="text-align: center;">_____ Jessica Larsen, Secretary</p> <p style="text-align: center;">_____ Secretary</p>

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