

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 May 12, 2021, with the participation of Greg Lien, Alis Stevens, Scott Veitenheimer and Pat Schmieder. The directors attended the meeting by means of video conference to comply with Minnesota Department of Health social distance and meeting guidelines.

Four directors were present at the time the meeting was called to order at 9:00 am. Also present for all portions of the meeting where operational issues were discussed was General Manager/CEO Hal Halpern.

Present

2.

A motion was made by Greg Lien and seconded by Scott Veitenheimer to accept the agenda with no further revisions. Motion carried unanimously.

Agenda

3.

A motion was made by Scott Veitenheimer and seconded by Greg Lien to approve the board meeting minutes from April 21, 2021. Motion carried unanimously.

Minutes

4.

A motion was made by Alis Stevens and seconded by Greg Lien to move the meeting to executive session at 9:05 a.m. for discussion of personnel matters. Motion carried unanimously. At the conclusion of the discussion, a motion was made by Greg Lien and seconded by Alis Stevens to exit the session at 10:04 a.m. Motion carried unanimously.

Executive Session

5.

A motion was made by Greg Lien and seconded by Scott Veitenheimer to approve the Delegation of Authority Policy to define the relationship between the Board and the CEO. Motion passed unanimously.

Delegation of
Authority Policy

6.

A motion was made by Greg Lien and seconded by Alis Stevens to instruct the CEO to take necessary corrective action by drafting, for Board approval, contracts with our primary ROW clearing contractors specifying remaining planned 2021 ROW clearing. The Board discussed the importance of contracts as standard business practice to define the work being requested and for greater accountability afforded by a contract if delivered service or product does not meet the specifications. Since CLP has example contracts used by similar electric

Contracts

Secretary

cooperatives to specify their ROW vegetation management it was determined it would be possible to get contracts in place for the remaining 2021 work with current vendors, with the plan to bid the work starting in 2022. Motion passed unanimously.

The Board reviewed a summary of payments made to all vendors in the past year for further consideration to request the CEO to develop contracts. It was decided to further discuss the topic with the CEO during the May 13 Strategic Plan meeting.

7.

A motion was made by Alis Stevens and seconded by Greg Lien to ratify the 2021-2024 Teamsters Union contract as approved by the Union. Motion passed unanimously.

Teamsters
Contract

8.

The board was presented a progress update report by J. Cavallin on activities of the Members Advisory Group on ROW Issues. The group was formed previously by board motion as a new board initiative. The group were given a charge to investigate all aspects of the ROW issue and advise the Board, by providing recommendations on potential changes to policies, procedures, or practices they think may help resolve the on-going member-owner concerns on this issue. Cavallin emphasized the group understands the importance of ROW clearing for safety and power reliability and they kept that in mind as they learned about current ROW maintenance practices, member concerns, and industry best practices used by other co-ops shown to reduce ROW costs. Alternatives discussed included encouraging and providing support for members that want to take care of their own ROW, like farmers grazing goat and sheep. The need for better communication from the co-op especially regarding notifications, and how to opt-out was a major point for improvement, with members expressing a preference for receiving information with their CLP bill, by email, a or a form available on the website. The group identified critical issue that the Board could act on before the group reconvenes in Sept after pausing for the summer. These recommendations will be delivered to the Board by May 17. A report on the group activities will be made to members at the May 19 Annual Meeting. A question was raised regarding whether there might be legal complications or liability issues when utility ROW is overlapping or adjacent to ROW of another entity. No answer currently. The board further discussed the need to clarify what it means to opt-out cutting and spraying and member obligations.

Board's Member
Advisory Group

9.

It was noted in correspondence that the Board typically only see compliments reported, but none of the complaints. The Board initiative to work with staff to develop a system to record all input from members was further discussed with the CEO, making a request that staff be engaged to develop the system.

Tracking
Members
Concerns

10.

Secretary

<p>At 11:30 a.m. the Board recessed.</p>	<p>Recessed</p>
<p style="text-align: center;">11.</p> <p>At 12:02 the Board reconvened. There was a motion from Greg Lien and a second by Alis Stevens to approve the financial report. Items discussed included operation and maintenance figures and more used on ROW in first 3 months than usual. Discussions included L.P. generators, and how L.P. rates are set. There was discussion on possible need to revisit the Cost-of-Service Study including examining rates across each of the different rate classes and defining parameters that would affect rate changes. Motion passed unanimously.</p>	<p>Financial report</p>
<p style="text-align: center;">12.</p> <p>The Board discussed a suggestion from a member that CLP could into a fund bill credits that members want to volunteer to be used to help other members that might need assistance paying their bills in these challenging times. This “members-helping-members” initiative was discussed with the CEO who agreed with the Board idea, advised that programs used by CLP and other co-ops were similar enough that this should be doable, and agreed to bring it forward to his office staff to investigate how it might be done.</p>	<p>Members Helping Members</p>
<p style="text-align: center;">13.</p> <p>The consent agenda consisting of the following was reviewed. A motion was made by Scott Veitenheimer and seconded by Greg Lien to accept the consent agenda. It was noted in correspondence that the Board typically only sees compliments reported, but none of the complaints. The Board initiative to work with staff to develop a system to record all input from members was further discussed with the CEO, making a request that staff be engaged to develop the system. The monthly payments were examined. Motion passed to accept all Consent Agenda items.</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>Application and Terminations</p>
<p>NEW SERVICE-1</p>	
<p>TRANSFER OF OWNERSHIP-7</p>	
<p>TERMINATION OF MEMBERSHIP (Name Change Only)-2</p>	
<p>TERMINATION OF MEMBERSHIP-12</p>	<hr/> <p>Secretary</p>

<p style="text-align: center;">14.</p> <p>CEO, Hal Halpern, presented his report. He was also asked to update the Board on status of old business and previous requests. He is still working with aid of legal counsel on written stepwise procedures for how grievance and harassment complaints are handled. The ROW workplan is being finalized with the contractor and after review by the CEO will be given to the Board. Following that, the plan for communicating to the members where and when ROW clearing will be done this year will follow. Regarding easements, the CEO said he is still working on the requested written scope of work and plan describing the easement recording work that has been funded by the board by the next board meeting. For the Annual Meeting the required Officer and committee reports as specified in the by-laws will included the Board President Report with the board invited committee report from the Member ROW Advisory Group, followed by the CEO Report.</p>	<p>Managers' Report</p> <p>Status of Old Business</p>
<p style="text-align: center;">15.</p> <p>New business was discussed. In line with standard business practice, the CEO agreed to get contracts in place with all ROW contractors prior to the 2021 work being started, patterned on contracts used by other co-ops. The board discussed a need to develop a way to internally track member's concerns so they can be easily summarized and shared with the board. The CEO agreed to work with the staff to develop an easy-to-use system that also will record follow-up with members and how satisfied they were with responses. This will help measure the co-ops effectiveness in responding to member concerns. The CEO will report on progress at next meeting. It was requested that the CEO proceed to get the Delegation of Authority Policy posted with the board policies. The policy will be further discussed at the Strategic Planning meeting with major portions easily integrating into the plan. The CEO agreed to have the staff explore the member-helping-member idea to collect bill credits volunteered by some members to be given to other members who need some bill help. He believes there are likely other programs it can be patterned after.</p>	<p>New Business</p>
<p style="text-align: center;">16.</p> <p>Operations Manager Larry Sandrestsky joined the meeting to discuss ROW issues. The discussion focused on trying to better understand what happened with the clearing last fall along North Shore Drive that resulted in a variety of member issues and concerns, with the purpose to identify procedures and practices that could be altered to better serve members when their ROW needs clearing. Mention was made of a concerning potential class action lawsuit against CLP because of the cutting done without notification. Members reported damage to property, felling a tree on the line cutting power and internet while members were working from home, and members being threatened while trying to communicate with contractors. Follow-up information was requested by the board to understand more completely what occurred and why, so that members concerns can be addressed, and the co-op can learn from these experiences. The goal is to make improvements in our policies, procedures, and practices to better serve our</p>	<p>Member ROW Concerns</p> <hr/> <p>Secretary</p>

member-owners in all aspects of our interactions with them including doing the necessary ROW clearing in a manner agreed to by the member-owner. The CEO and Operations Manager agreed to get contracts in place, tailored after those used by other cooperatives that will specify exactly what and how work is should be done. Member notification is also a priority.

17.

At 2:45p.m. Greg Lien left the meeting as was previously scheduled with the board.

18.

There being no further business to come before said meeting, adjournment was called for at 3:00 p.m. with a motion from Scott Veitenheimer, seconded by Alis Stevens. Motion carried.

Roger Peterson, Secretary

CORPORATE SEAL

Director Leaves Meeting

Adjournment

Secretary