

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 February 28, 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 9:03 a.m. Also present for the meeting were CEO Joel Janorschke, Finance Manager Shannon Haveri, Energy Services Manager Ken Jones, Operations Manager Brian Bentler, and Member Services/HR Manager Carey Hogenson. One member owner attended as well.

2.

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

3.

A motion was made by Josephson and seconded by Weideman to approve the January 24, 2024, minutes. Motion passed.

4.

The consent agenda consisting of the following was reviewed. A motion was made by Josephson and seconded by Larsen to accept the Consent Agenda. Motion passed.

- Applications and Terminations
- Monthly Payments – Check Register
- Correspondence (none)

Present

Agenda

Minutes

Consent
Agenda

Secretary

<p>Application for Membership and Termination of Electric Service were presented for consideration.</p>	<p>Applications and Terminations</p>
<p>TRANSFER OF OWNERSHIP (Existing Construction) 8</p>	
<p>TERMINATION OF MEMBERSHIP (Name Change Only) 7</p>	
<p>TERMINATION OF MEMBERSHIP 16</p>	
<p>5.</p>	
<p>There were no member questions or comments.</p>	<p>Member Questions</p>
<p>6.</p>	
<p>Please note: This is based on the pre-audit financial statements. The Operating Margin for the month of December was a negative \$302,716 as compared to a budgeted figure of a positive \$168,648 for a negative variance of \$471,364. This was due largely in part to the deferred revenue of \$400,000. Non-Operating Margins-Interest for the month of December was positive \$18,198 as compared to a budgeted figure of positive \$1,640 for a positive variance of \$16,558. Non-Operating Margins-Other for the month of December was a negative \$9,235 as compared to a budgeted figure of a positive \$2,500 for a negative variance of \$11,735. Other Capital Credits & Patronage Other for the month of December was positive \$453,955 as compared to a budgeted figure of positive \$150,000, for a positive variance of \$303,955. This was based on the GRE G&T Patronage Capital for 2023. This resulted in a total margin for the month of December of a positive \$160,201 as compared to a budgeted figure of a positive \$322,788 for a negative variance of \$162,587.</p>	<p>December Pre-audit Financials</p>
<p>7.</p>	
<p>A motion was made by Peterson and seconded by Larsen to approve the December financials. Motion passed.</p>	<p>Financial Approval</p>
<p>8.</p>	
<p>Member Services/HR Manager Hogenson went over her report with the Board.</p>	<p>Managers Reports</p>
<ul style="list-style-type: none"> Youth Tour - After some discussion, the Board chose to go with participant #2, who was stronger in community service background. Motion by Larsen, seconded by Weideman. 	<hr/> <p>Secretary</p>

<p>Weideman proposed declaring the other candidate the runner up/alternate. Motion by Weideman, seconded by Josephson.</p> <ul style="list-style-type: none"> • Annual Meeting – Speakers at the annual meeting will be the youth tour participants from last year and our forester. There will be an effort to keep the entire meeting at around an hour. Submitted questions that are not answered at the meeting will be published in the Powerlines. Details for the annual meeting will be finalized during the March meeting. • Annual Reports – Red Flags/Conflict of Interest; nothing to report • REPAC – Minnesota REPAC & American REPAC forms were provided. <p>Energy Services Manager Jones went over his report with the Board.</p> <ul style="list-style-type: none"> • Veitenheimer liked the idea of taking office staff into the field to get a better understanding of operations. He would be interested in having the Board Directors do something similar. • There was a question about dual fuel, and Jones confirmed that GRE does the controlling – CLP has no say on that. • Annual Cogeneration Report provided for Board approval. This is based on 2023 rates and our most recent Class Cost of Service Study. <p>Operations Manager Bentler went over his report with the Board.</p> <ul style="list-style-type: none"> • Provided a brief overview of the current projects. • Discussion about old poles and pole attachments. • Gave a brief overview of the recent and upcoming training. • Discussion of potentially doing some before and after IVM site visits. <p style="text-align: center;">9.</p> <p>CEO Janorschke provided the following reports to the Board:</p> <p>Minnesota Rural Electric Association (MREA) Update</p> <ul style="list-style-type: none"> • Provided a 2024 Legislative Session update. • Sen. Kari Dziedzic (DFL-Minneapolis) stepped down as the majority leader in the Senate. Erin Murphy (DFL-St. Paul) was elected as the new Senate Majority Leader. <p>National Rural Electric Cooperative Association (NRECA) Update</p> <ul style="list-style-type: none"> • House Panel on EPA regulations. <p>Grant Updates</p> <ul style="list-style-type: none"> • GRIP (through DOE) – <ul style="list-style-type: none"> ○ Topic Area 1, Round 1: Grid Resilience – Approved 	<p>CEO Report</p> <hr/> <p>Secretary</p>
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<ul style="list-style-type: none"> ○ Topic Area 2, Round 1: Smart Grid – Rejected ○ Topic Area 3, Round 1: Grid Innovation Program – Rejected ○ Topic Area 1, Round 2: Grid Resilience & Innovation Partnerships <ul style="list-style-type: none"> ▪ RASP (Resilience Assessment System Prediction) ● New ERA (GRE Consortium) through the USDA/RUS <ul style="list-style-type: none"> ○ Projects 1-4 <p>Other Matters of Interest</p> <ul style="list-style-type: none"> ● Meeting with Eaton to discuss load control receivers ● Meeting with Alison Deelstra, Regional VP, CFC ● Meeting with Lois Cronquist, CEO at Star Energy ● Annual Compliance & System Hazard Recognition – Star Energy ● Attended MREA’s legislative updates ● Continued updating policies with Staff ● Attended weekly Zoom Meetings regarding RASP and New ERA grants <p>After a lengthy discussion on HF3895, the consensus was that the Board’s biggest concern was for the proposal making member lists accessible to any member with only an affidavit to discourage unauthorized use of member information. The Board felt the majority of the membership would be against this. Their other concern was that the nominating petition would require 40 signatures, which the Board felt was too large a number for smaller co-ops. Most of the rest of the proposals were things that CLP already complies with. Director Peterson encouraged everyone to speak to their local representatives about their concerns.</p> <p style="text-align: center;">10.</p> <p>President Veitenheimer reported on the GRE Board Meeting he attended.</p> <ul style="list-style-type: none"> ● Death of Bruce Leino, retired GRE Board, Director North Itasca. ● There were no committee meetings, and the financials were not ready at the time of the meeting. ● HERC (Hennepin Energy Recovery Center) was discussed. ● Crow Wing eventual departure from GRE. ● 2023 Financials, which ended up being the best year in GRE history. ● There will be a margin deferral into 2024 & 2025. ● The Board reviewed and approved: <ul style="list-style-type: none"> ○ E24-2-1: changes to Board Policies 	<p style="text-align: center;">GRE Board Meeting</p> <hr style="width: 20%; margin-left: auto; margin-right: 0;"/> <p style="text-align: right;">Secretary</p>
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<ul style="list-style-type: none"> ○ E24-2-2: 2025 GRE Board and MMG meeting dates ○ R24-2-1: Revolving Credit Facility ● Upcoming March activity: <ul style="list-style-type: none"> ○ 2023 Audit ○ Disposition of Margins ○ 2024 Patronage Retirement ○ Diversified Credits 	
<p style="text-align: center;">11.</p> <p>President Veitenheimer reported on the GRE Regional Meeting that was held February 7-8. Meeting activity:</p> <ul style="list-style-type: none"> ● VP reports, including financials and rates ● 2024 Legislation ● Permitting Reform (mandates) ● GRE triple bottom line ● GRE's current portfolio ● Wind projects ● MISO ● Need for grid investment, transformation ● Congestion, reliability, age, and transmission ● Business savings, grants, GRE Renewals LLC <p>Larsen and Josephson spoke of their meeting experience, how there was a lot of good information and that it was a great learning experience.</p>	<p>GRE Regional Meeting</p>
<p style="text-align: center;">12.</p> <p>The District #3 Nominating Meeting was held February 26, 2024. There were 10 members present. Geoff Tolley and Kyle Weideman were nominated.</p>	<p>District 3 Nominating Meeting</p>
<p style="text-align: center;">13.</p> <p>The District #4 Nominating Meeting was held February 27, 2024. There were 10 members present (including two husband/wife teams that counted as 1 member each). Steve Josephson was nominated.</p>	<p>District 4 Nominating Meeting</p>
<p style="text-align: center;">14.</p> <p>The Annual Cogeneration Filings and Report by Star Energy was reviewed by the Board. A motion was made by Josephson and seconded by Larsen to approve the report.</p>	<p>Annual Cogeneration Filings & Report</p> <hr/> <p style="text-align: right;">Secretary</p>

<p style="text-align: center;">15.</p> <p>A motion was made by Larsen and second by Weideman to approve the Unclaimed Capital Credit Distribution Resolution. Motion passed.</p>	<p>Resolution Unclaimed Capital Credit Distribution</p>
<p style="text-align: center;">16.</p> <p>A motion was made by Peterson and seconded by Josephson to delete Board Policy IV-2 System Boundaries. Motion passed.</p>	<p>Board Policy IV-2</p>
<p style="text-align: center;">17.</p> <p>A motion was made by Larsen and seconded by Peterson to approve, with changes, Board Policy IV-3 Selection System Attorney. Motion passed.</p>	<p>Board Policy IV-3</p>
<p style="text-align: center;">18.</p> <p>A motion was made by Josephson and seconded by Peterson to approve, with changes, Board Policy IV-4 Audit of Accounting Records. Motion passed.</p>	<p>Board Policy IV-4</p>
<p style="text-align: center;">19.</p> <p>A motion was made by Larsen and seconded by Josephson to approve, with changes, Board Policy IV-5 Application for Membership and Electric Service. Motion passed.</p>	<p>Board Policy IV-5</p>
<p style="text-align: center;">20.</p> <p>A motion was made by Weideman and seconded by Peterson to approve, with changes, Board Policy IV-17 Joint Use of Pole. Motion passed.</p>	<p>Board Policy IV-17</p>
<p style="text-align: center;">21.</p> <p>A motion was made by Peterson and seconded by Larsen to approve, with changes, Board Policy IV-22 Minutes of Meetings. Motion passed.</p>	<p>Board Policy IV-22</p> <hr style="width: 100%; margin-top: 20px;"/> <p style="text-align: right;">Secretary</p>

<p style="text-align: center;">22.</p> <p>A motion was made by Weideman and seconded by Larsen to delete Board Policy IV-25 Refusal of or Payment of Right-of-Way Easement. Motion passed.</p>	<p>Board Policy IV-25</p>
<p style="text-align: center;">23.</p> <p>A motion was made by Weideman and seconded by Larsen to approve, with changes, Board Policy IV-34 Identity Theft. Motion passed.</p>	<p>Board Policy IV-34</p>
<p style="text-align: center;">24.</p> <p>The upcoming MREA Annual Meeting was discussed. The meeting will be held March 19-20, 2024, with the District 2 Legislative Dinner the night before.</p>	<p>MREA Annual Meeting</p>
<p style="text-align: center;">25.</p> <p>At 12:38 p.m., a motion was made by Weideman and seconded by Peterson to enter into Executive Session to discuss union negotiations. At the conclusion of the discussion, a motion was made by Peterson and seconded by Josephson to exit the session at 1:37 p.m. Motion passed.</p>	<p>Executive Session</p>
<p style="text-align: center;">26.</p> <p>The Board discussed the date for the next Board meeting. The next board meeting date is set for March 27, 2024, at 9:00 a.m.</p>	<p>Next Meeting</p>
<p style="text-align: center;">27.</p> <p>There being no further business to come before said meeting, adjournment was called for at 1:39 p.m. with a motion from Josephson and a second by Weideman. Motion carried.</p>	<p>Adjournment</p>
<p>CORPORATE SEAL</p>	<p style="text-align: center;">_____ Steve Josephson, Secretary</p> <p style="text-align: center;">_____ Secretary</p>

