

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 July 27, 2022, with the participation of Scott Veitenheimer, Pat Schmieder, Roger Peterson, and Steve Josephson.

Four directors were present at the time the meeting was called to order at 9:00 am. Also present for the meeting was Interim CEO Steve Shurts, Communication/Business Manager Kevin Olson, Great River Energy (GRE) Resource and Planning Director Zac Ruzycski, Sherry Fabini to take the minutes, two member-owners and CLP's Attorney Chad Felstul by means of video conference.

2.

Scott Veitenheimer asked if there were any additions to the agenda. There were several modifications. 1. Re-instate Kyle Weideman back onto the Board. 2. Approve the Annual meeting minutes. 3. Scott announced to the Board that he will respond to Greg Lien's letter requesting the membership list of addresses and phone numbers from the Annual meeting. 4. Discussion on Policy IV-36, CLP re-districting considerations, electronic mail in voting, bylaw changes and virtual access to Board meetings.

Items that were put on the action list were Survey results from the Annual meeting, pancake breakfast, district meetings and the Cost-of-Service study.

3.

A motion was made by Steve Josephson and seconded by Roger Peterson to approve the agenda as modified. Motion passed.

4.

Present

Additions to  
the Agenda

Agenda

---

Secretary

There was discussion among the Board members regarding reinstating Kyle Weideman, who was on a leave of absence from the Board to apply for the CEO position, as a Board member with full rights and responsibilities (including being able to participate in the hiring process for the CEO). Pat Schmieder referred to the NRECA Good Governance document that has been previously discussed that recommends a prohibition of 3 yrs for any Board member to apply for a co-op position. In line with the NRECA recommendations Pat is concerned about potential bias and/or conflict of interest when any board member is given an immediate leave to apply for a position within CLP, is found unqualified for that position, and then comes back to the Board and is reinstated to the Board with full privileges (including being able to participate in the hiring process for the CEO position. She asked that, at a minimum, Kyle be recused from further participating in the CEO hire given his conflicting interest in having applied for the CEO job that he now wants to participate in hiring. Steve Shurts was asked if there was past precedent and Steve did know of another Minnesota cooperative who allowed a reinstated Board member to vote on CEO hires. Scott Veitenheimer, Roger Peterson, and Steve Josephson all commented that they felt that Kyle should be reinstated with full privileges (including being able to participate in the hiring process for the CEO). Kyle was present during these discussions and Kyle stated that he would not have bias and/ or conflict of interest in participating the hiring process for the CEO. Kyle stated that he has the best interests of all the membership when making decisions, including this decision. Pat mentioned that the issue goes beyond whether or not Kyle has a bias but sets a precedent in allowing such conflicting interests in similar situations in the future.

A motion was made by Roger Peterson and seconded by Steve Josephson to end Kyle Weideman’s leave of absence and to immediately reinstate Kyle with full rights and responsibilities with no restrictions. Pat Schmieder asked for a roll call. Pat, no. Steve, yes. Roger, yes, and Scott, yes. Motion passed.

5.

A motion was made by Roger Peterson and seconded by Steve Josephson to approve the June 27, 2022, minutes as modified. Motion passed.

Reinstate Board Member

Minutes

\_\_\_\_\_  
Secretary

<p style="text-align: center;">6.</p> <p>The consent agenda consisting of the following was reviewed. A motion was made by Roger Peterson and seconded by Steve Josephson to accept the consent agenda. Motion passed.</p> <ul style="list-style-type: none"> <li>• Applications and Terminations</li> <li>• Monthly Payments</li> <li>• Correspondence</li> </ul> <p>Application for Membership and Termination of Electric Service were presented for consideration.</p> <p><b>NEW SERVICE-8</b></p> <p><b>TRANSFER OF OWNERSHIP-30</b></p> <p><b>TRANSFER OF RENTER-1</b></p> <p><b>TERMINATION OF MEMBERSHIP (Name Change Only)-1</b></p> <p><b>TERMINATION OF MEMBERSHIP-46</b></p>	<p>Consent Agenda</p> <p>Applications and Terminations</p>
<p style="text-align: center;">7.</p> <p>Great River Energy Resource and Planning Director Zac Ruzycski was invited to the Board meeting to discuss Cambridge Dual Fuel Modification. He provided an explanation of GRE’s project to add the capability to burn fuel oil at the Cambridge two combustion turbine. His explanation covered why they plan to do the conversion, remarks from their experiences with the state agencies (MPUC, MPCA, MEQB), comments from the public, including non-governmental organizations, and other pertinent topics associated with the modification. Pat Schmieder had several questions and expressed concerns, principally, but not exclusively, with the environmental impact of the project. Zac explained that, based on concerns expressed to the MPUC and MPCA, GRE will be performing an Environmental Assessment Worksheet (EAW). Zac stated that GRE is confident the EAW will support their position that this is a minor modification. GRE will provide the members with updates as this project progresses through the review process. If it is approved by the PUC, Zac said the work is planned for 2023 so the plant can burn oil the winter of 2023-24. Following the meeting, Zac remained at CLP to meet with member Geoff Tolley who had additional questions and concerns.</p>	<p>Cambridge Dual Fuel Modification</p> <hr/> <p>Secretary</p>

<p style="text-align: center;">8.</p> <p>A motion was made by Roger Peterson and seconded by Steve Josephson to accept the financials. Motion passed.</p>	<p>Financials</p>
<p style="text-align: center;">9.</p> <p>Marketing Manager Carey Hogenson opened the floor for discussion on the pancake breakfast. After much discussion, for the best interest for all, the pancake breakfast will be cancelled.</p> <p>Carey discussed with the Board the possibility of a district member appreciation event. She will keep the Board posted with different ideas.</p> <p>On September 8, 2022, there will be an Electric Vehicle (EV) event at Bayfront in Duluth. There are going to be commercial vehicles, food and beverage vendors, and events for the children.</p> <p>Carey and Kevin Olson are setting dates for movie nights. The first movie night will take place at the Cooperative Light &amp; Power (CLP) in late August, early September.</p>	<p>Marketing Manager</p>
<p style="text-align: center;">10.</p> <p>Interim CEO Steve Shurts briefly mentioned the NRECA Region 5/6 meeting occurring in Minneapolis in September, asking if anyone wished to attend. He added that, with approval of the Board, he would update the Delegate to himself and retain Scott Veitenheimer as the Alternate Delegate. The Board concurred. As of the meeting, no directors said they planned to attend the regional meeting. Interim CEO Steve Shurts will decide if he is going to attend before the registration deadline. Steve Shurts advised there will be a virtual presentation on August 1 in executive session by GRE on the Connexus-GRE agreement for Connexus to become a customer of GRE. Steve stated that he will send the directors the link once GRE sends it. Steve provided the Davey Resource Group proposal/work scope, explaining that the Davey contract is just about ready for execution, following review by our attorney. He also provided a Scope of Work that is to be added to the Central Applicators contract. Steve stated that the staff has met with both Star Energy Services and Power Systems Engineering on the Cost-of-Service Study (COSS). Both firms are qualified to do the study and will provide what we need. CLP will request quotes from each of them to perform the study in March or April of 2023. Steve handed out an update from Deb Englund on the CEO search. She stated that she has received applications</p>	<p>Manager's Report</p> <hr/> <p>Secretary</p>

<p>from several qualified applicants.</p> <p style="text-align: center;">11.</p> <p>A motion was made by Kyle Weideman and seconded by Steve Josephson for Interim CEO Steve Shurts to be the voting delegate and Scott Veitenheimer to be the Alternate Delegate for NRECA. Motion passed.</p>	<p>Voting Delegates</p>
<p style="text-align: center;">12.</p> <p>Steve Shurts is waiting for a quote from Survey and Ballot system (SBS). They provide many options for online voting and electronic and mail in voting. When Steve receives this information, he will update the Board.</p>	<p>SBS</p>
<p style="text-align: center;">13.</p> <p>Steve Shurts is also waiting for a response about redistricting. He has talked with several other cooperatives who are in a similar situation of having uneven districts, and they advise us to leave it alone. Some suggest doing voting at- large where districts are still maintained but everyone votes for all directors so there is never a problem in achieving a required quorum. This will be the Board's decision and ultimately need to go to the members as by-laws change.</p>	<p>Redistricting</p>
<p style="text-align: center;">14.</p> <p>Discussion was brought up about Virtual meetings. Pat Schmieder wanted to hear from Communication/Business Manager Kevin Olson and his ideas. Kevin recommends Zoom for this. He could verify membership with Zoom before sending the link to the member. He explained that there could still be troubles with visuals not being present during virtual meetings (whiteboard drawings, handouts, etc.), with someone's internet going out, a line cut or anything out of his control, but the meeting would still go on.</p> <p>Steve Shurts told the Board to plan to do this in August.</p>	<p>Virtual Meetings</p>
<p style="text-align: center;">15.</p> <p>Scott Veitenheimer reported on the July GRE Board Meeting. There will be information on the Connexus deal on Monday, August 1, 2022, with a virtual meeting for all Board members and CEO's.</p>	<p>GRE Board &amp; MMG Report</p> <hr/> <p>Secretary</p>

A resolution was approved for the allocation of capacity revenue. Scott reviewed the finances of GRE with the Board.

Demand sales are higher for June than budgeted and year to date demands are higher than budgeted. The June major heat wave propelled demand to the highest levels in GRE's history.

Steve Shurts reported that MISO load is slowly starting to exceed resource capability. GRE is and will continue to be slightly long, so their resources should cover load, but overall, MISO could experience difficulties covering load in certain regions as more legacy resources are shuttered. He added that it isn't a dire situation, just something to be aware of. With MISO cost continuing to escalate, GRE will need to take a deep dive into their rates to their members, with emphasis on demand-side management (DSM) rates. Over the next several months, GRE staff will collaborate with the member managers to develop DSM rates for 2023. Regarding rates, GRE has pilot projects with three members to determine how best to price the cost of service to public DC EV fast chargers. These chargers can create high demands, which if they occur at peak times, can be costly to GRE. GRE will continue to explore rate options to develop the optimum rate for these chargers.

16.

Scott Veitenheimer reported on the MREA District 2 Meeting that he and Steve Josephson attended.

MREA CEO Darrick Moe discussed staffing updates, the safety program, the upcoming DC trip to visit our delegation, and ongoing work related to RUS environmental reviews for construction work.

Manager of Legislative Affairs Jenny Glumack provided an overview of REPAC activities and current funding and donation levels and led the election of REPAC trustees for the upcoming year. She also provided highlights on legislative champions from the last session. She also talked about a new website MREA has called VoterVoice. It provides quicker access for legislative issues.

Another issue talked about was contact response and MREA is setting up a training program for the CEOs for what to expect and how to respond.

17.

Scott Veitenheimer informed the Board that he will respond to member-owner Greg Lien's July 19, 2022, email that the action the Board took still stands. He is welcomed to come in to look at the membership list from the Annual Meeting, but the list will not be

MREA District  
2 Meeting

List of  
Members

---

Secretary

released to him.

Pat Schmieder made a motion to access to our list of members names and addresses to any member that asks for it for use to contact other members, as long as they also sign an affidavit that it will not be used for any commercial uses. It was noted this would be in keeping with recommendations in the NRECA Good Governance document, and in line with our by-laws that allows inspection of member lists by any member at our annual meeting. Motion is not seconded. Motion failed.

18.

Approval on Policy IV-36 and the Annual Meeting minutes will take place at next month's Board meeting.

19.

A motion was made by Pat Schmieder and seconded by Roger Peterson to move the meeting into executive session to discuss GRE Power Cost Adjustment (PCA) with Zak Ruzycski at 1:27 p.m. Motion carried. At the conclusion of the executive session, a motion was made by Pat Schmieder and seconded by Steve Josephson to exit the session at 2:00 p.m. Motion carried.

20.

The Board discussed the date for the next Board meeting. The date is set for August 24, 2022, at 9:00 a.m.

21.

There being no further business to come before said meeting, adjournment was called for at 2:04 p.m. with a motion from Pat Schmieder and seconded by Steve Josephson. Motion carried.

\_\_\_\_\_  
Roger Peterson, Secretary

CORPORATE SEAL

Approvals

Executive Session

Upcoming Meeting

Adjournment

\_\_\_\_\_  
Secretary