

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 28, 2021, with the participation of Scott Veitenheimer, Pat Schmieder, Kyle Weideman, Roger Peterson, and Steve Josephson.

All directors were present at the time the meeting was called to order at 9:00 am. Also present for portions of the meeting was General Manager/CEO Hal Halpern, visitor Jon Brekke from Great River Energy and 11 Member- owners.

Present

2.

A request was made by Pat Schmieder for additions to the agenda. Pat requested that four items be pulled from the agenda. They are the ROW report, the June minutes, the special meeting minutes, and the financials. Discussion on ROW recommendation will be tabled until the August Board meeting.

A motion was made by Pat Schmieder and seconded by Kyle Weideman to approve the agenda as modified. Motion passed.

Additions to the
Agenda

3.

Scott Veitenheimer asked the Board if any members are interested attending the MREA Energy Issues Summit scheduled August 9 through the 12th, 2021. Pat Schmieder requested to attend all four days, Steve Josephson and Roger Peterson requested to attend the first two days and Scott Veitenheimer planned to attend EIS. Kyle Weideman is unable to attend due to conflicting appointments.

MREA Energy
Issues Summit

4.

Pat Schmieder said she would like to talk about the minutes. Scott Veitenheimer said that they will table this discussion and come back later in the meeting.

Minutes

5.

The consent agenda consisting of the following was reviewed. A motion was made by Kyle Weideman and seconded by Steve Josephson to accept the consent agenda. Motion passed

Consent Agenda

- Applications and Terminations
- Monthly Payments
- Correspondence
- Managers' Report

Secretary

<p>Applications for Membership and Termination of Electric Service were presented for consideration.</p> <p>NEW SERVICE-17</p> <p>TRANSFER OF OWNERSHIP-19</p> <p>TERMINATION OF MEMBERSHIP (Name Change Only)-2</p> <p>TRANSFER OF RENTER-1</p> <p>TERMINATION OF MEMBERSHIP-31</p>	<p>Applications and Terminations</p>
<p>6.</p> <p>Pat Schmieder made a motion to change the order of business for this meeting from that specified Board Policy III-4 to have the Board discussion of the topic of Coal Creek sale and vote on the issue to be taken up on completion of the members comments. Kyle Weideman seconded. Motion passes.</p>	<p>Order of Business</p>
<p>7.</p> <p>Pat Schmieder made a statement to the Board to correct the record from that reported in the June meeting minutes and to take action.</p> <p>Roger Peterson motioned that we table this until after the Coal Creek Sale meeting and Steve Josephson seconded this. Motion passes.</p>	<p>Corrections</p>
<p>8.</p> <p>At 10:05 a.m. Scott Veitenheimer welcomes Jon Brekke, Vice President/Chief Power Supply Office at GRE, to answer all questions regarding the sale of Coal Creek. Jon took the floor and went into detail about Coal Creek and the information that has led up to this decision. We had an additional 11 member-owners that joined this meeting along with the Board to voice their concerns and ask their questions before the Board voted. Many good points and concerns were brought up and Jon responded to each one of them. Hal Halpern then offered his advice and recommendation from the CLP employees and thanked Jon for coming.</p> <p>At 12:08 p.m. after all discussion was over, Scott Veitenheimer thanked Jon Brekke for coming here and answering all the members questions and concerns.</p> <p>Scott Veitenheimer proceeded to read the resolution to the Board. A copy which is attached to the resolution minutes. A motion was made by Steve Josephson and seconded by Kyle Weideman to vote on the resolution and approve the sale of Coal Creek to Rainbow with discussion. The motion was approved, and the Resolution passed.</p>	<p>Coal Creek</p>
<p>9.</p> <p>At 1:00 p.m. the Board recessed for lunch.</p>	<p>Lunch</p>
<p>10.</p>	<p>Secretary</p>

<p>At 1:35 the Board reconvened. Roger Peterson suggested not to have a consent agenda until the new Board members are more comfortable and better at these meetings. Scott suggested that Roger asks these questions when he is at the summit training for new directors. See what is best for our Board. Kyle Weideman asked if we could get items early and have time to study them and be more prepared and pick another day to go over the items. Scott told the Board that is what GRE does. Staff will turn in their reports and the Board will approve the basic items and if there are resolutions or discussions, they will put it on the agenda for the following month. This will be more timely and more efficient.</p> <p>Scott Veitenheimer will rework the consent agenda and will start simple and go more into depth in the future. Pat asked if they could have a draft of the agenda by the second week of the month so the Board can go over and add items that are needed. Scott said that he would work on that.</p>	<p>Consent Agenda</p>
<p style="text-align: center;">11.</p> <p>The Board returned to the discussion of corrections to the June minutes that was previously tabled. Roger Peterson made a motion to approve the minutes as they were first drafted. Steve Josephson seconded. Motion passed.</p> <p>Kyle Weideman made a motion to make an amendment in the minutes to change a paragraph to say that Pat Schmieder requested more material for the Board on the shut down of Coal Creek. Steve Josephson seconded the motion. Motion passes.</p>	<p>Minutes</p>
<p style="text-align: center;">12.</p> <p>A motion was made by Steve Josephson and seconded by Kyle Weideman to go into executive session to discuss a personnel matter at 2:54 p.m. Motion passed. At the conclusion of the discussion a motion was made and seconded to exit the session at 3:10 p.m. Motion passed.</p>	<p>Executive Session</p>
<p style="text-align: center;">14.</p> <p>Scott Veitenheimer is going to talk to legal counsel about updating our bylaws. Times have changed with all the electronic equipment that is now available to everyone.</p>	<p>Legal Counsel</p>
<p style="text-align: center;">15.</p> <p>Scott Veitenheimer welcomed Susie Schmitz, Office Manager, to the meeting. She was going to go over a few things for the new Board Member and answer any questions that they may have on the check register and the financials. She explained about the extra expenses that we will have next month due to the storm that we just had and the damage it has caused. These would be poles, other infrastructure hardware, overtime, additional work orders and the extra help from Lake States. Susie briefly explained how work orders work and how the loans we have are allocated. The last loan she took out for CLP was for \$1.25 million. She is going to talk with Hal Halpern about the CLP's next loan for \$2 million and invest it on short term investments and use it towards work plans. There are specific projects for different loans. You need work orders to take out loans. Interest rates are down, and this is a good time to do this.</p>	<p>Financials and Check Registers</p> <hr/> <p>Secretary</p>

Pat Schmieder asked her if she had any time to research any ideas for “members helping members.” Susie said she did but that this will be hard to do. How do we pick and choose? We need more information and how much member would be willing to donate. Pat will reach out to the member in her district that suggested this idea and let Susie know.

Scott Veitenheimer asked Susie to come in each Board meeting to go over the financials and discuss them with the Board and answer any questions or concerns.

Susie Schmitz announced to the Board that she will be retiring after 42 years at the end of the year. The Board congratulated her.

16.

A motion was made by Pat Schmieder and seconded by Kyle Weideman to approve the consent agenda. Motion passed.

17.

A motion was made by Roger Peterson and seconded by Pat Schmieder to accept the financials. Motion passes.

18.

Larry Sandretsky joined the meeting to answer Board questions. The Board thanked Larry and his crew for all the work that they did to get the power back on from the storm.

Larry informed the Board that he sent out the Integrated Vegetation Management (IVM) Right of Way (ROW) clearing contracts last week. He provided the Board with copies of one contract that he sent out. He explained the contracts go over equipment and labor rates for ROW clearing along our power lines.

Steve Josephson asked if all the clearing was done, and Larry told him no and that he has been using Barks tree removal to help. Roger Peterson asked about all the spruce trees up at Pequaywan that are not on the ROW. Larry informed the Board if they are tall, dying or leaning by the ROW, they will also cut them down.

Pat Schmieder asked Larry if he knew the schedule and when the spraying was happening, and he said that Island Lake area is first and should start in a week or so. She asked if that included the Islands and he said no, just the main roads. Next is the Rossini Road towards Hugo’s. After that it is Highway 61 to the Flood Bay area. Larry stated that they will likely run out of money before all of this is completed.

Pat Schmieder asked Larry about all the new hook ups and if they are all underground now. He said yes, most of them are but there are some people still that don’t care if they are above ground or below.

19.

A motion was made by Pat Schmieder and seconded by Steve Josephson to approve the special meeting meetings. Motion passed.

Consent Agenda

Financials

Operations/ROW

Secretary

21.
The Board discussed the date for the next Board meeting. The date is set for August 25th, 2021, at 9:00 a.m.

22.
There being no further business to come before said meeting, adjournment was called for at 4:35 p.m. with a motion from Kyle Weideman, seconded by Roger Peterson. Motion carried.

Roger Peterson, Secretary

CORPORATE SEAL

Minutes from
Special Meeting

Upcoming
Meeting

Adjournment

Secretary