

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 May 22, 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, Operations Manager Brian Bentler, 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 Larsen and seconded by Weideman to approve the modified agenda. Motion passed.

Agenda

3.

A motion was made by Peterson and seconded by Josephson to approve the April 24, 2024, Board Minutes. Motion passed.

Minutes

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.

Consent  
Agenda

- Monthly Payments – Check Register
- Correspondence

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Secretary

<p style="text-align: center;">5.</p> <p>Member Geoff Tolley addressed the Board with two requests.</p> <ul style="list-style-type: none"> <li>○ Board Policies on the website</li> <li>○ Defined boundaries for districts</li> </ul>	<p>Member-Owner request</p>
<p style="text-align: center;">6.</p> <p>At 9:10 a.m., a motion was made by Weideman and seconded by Josephson to enter into a Closed Meeting to discuss IBEW Union Contract with Kristi Hastings, Pemberton Labor Attorney. At the conclusion of the discussion, a motion was made by Peterson and seconded by Weideman to exit the session at 10:34 a.m. Motion passed.</p>	<p>Closed Meeting IBEW Union Contract</p>
<p style="text-align: center;">7.</p> <p>A motion was made by Larsen and seconded by Peterson to approve the IBEW contract as proposed. Motion passed.</p>	<p>IBEW Contract</p>
<p style="text-align: center;">8.</p> <p>A motion was made by Larsen and seconded by Weideman to approve an amendment to the Teamsters contract to match the approved wage increase on the IBEW contract. Motion passed.</p>	<p>Teamsters Contract</p>
<p style="text-align: center;">9.</p> <p>The Operating Margin for the month of March was a positive \$7,152 as compared to a budgeted figure of a negative \$59,622 for a positive variance of \$66,774. Non-Operating Margins-Interest for the month of March was positive \$12,130 as compared to a budgeted figure of positive \$6,324 for a positive variance of \$5,806. Non-Operating Margins-Other for the month of March was a negative \$18,497 as compared to a budgeted figure of a positive \$2,914 for a negative variance of \$21,411. Other Capital Credits &amp; Patronage Other for the month of March was a positive \$5,605 as compared to a budgeted figure of zero, for a positive variance of \$5,605. This resulted in a total margin for the month of March of a positive \$6,390 as compared to a budgeted figure of a negative \$50,384 for a positive variance of \$56,774.</p>	<p>March Financials</p>
	<hr style="width: 100%;"/> <p style="text-align: right;">Secretary</p>

<p style="text-align: center;">10.</p> <p>A motion was made by Peterson and seconded by Weideman to approve the March financials. Motion passed.</p> <p style="text-align: center;">11.</p> <p>Member Services/HR Manager Carey Hogenson and Energy Services Manager Ken Jones were not in attendance at the meeting. The Board reviewed their written reports.</p> <p>Operations Manager Bentler went over his report with the Board and updated what they are working on.</p> <ul style="list-style-type: none"> <li>○ New Services</li> <li>○ Taps in Encampment</li> <li>○ Crews working on and finished a 1.2-mile line rebuild in the Finland area</li> <li>○ Contractors are done rebuilding four miles of two phase to three in the Finland area, and will return in the fall to finish the other three miles</li> <li>○ Brushing contractors are done for the year</li> <li>○ Local tree cutter is closing, and CLP is looking for a new tree cutting company</li> <li>○ New Davey Forester starting in the next couple weeks</li> </ul>	<p>Financial Approval</p> <p>Managers Reports</p>
<p style="text-align: center;">12.</p> <p>CEO Janorschke provided the following reports to the Board: Minnesota Rural Electric Association (MREA) Legislative update regarding:</p> <ul style="list-style-type: none"> <li>○ Minnesota Energy Infrastructure Permitting Act</li> <li>○ Property Taxes</li> <li>○ ECO</li> <li>○ Excavation</li> <li>○ Workforce Development Scholarships</li> <li>○ Nuclear Moratorium</li> </ul> <p>National Rural Electric Cooperative Association (NRECA) update:</p> <ul style="list-style-type: none"> <li>○ NRECA filed suit over EPA Power Plant Rule on May 9, 2024</li> </ul>	<p>CEO Report</p> <hr style="width: 100%;"/> <p style="text-align: right;">Secretary</p>

Grant Updates

- GRIP (through DOE) –
  - Topic Area 1, Round 2: Grid Resilience & Innovation Partnerships
- New ERA (GRE Consortium) through the USDA/RUS
- NRECA
  - NRECA Research announce a potential opportunity for co-ops to enhance their cybersecurity posture through the RMUC (Rural and Municipal Utility Advanced Cybersecurity Grant and Technical Assistance) Program within the Department of Energy (DOE)

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
- Completed a Crisis Communication Tabletop exercise
- Responding to members with questions and concerns
- Attended MREAs legislative updates
- Negotiations continued with the IBEW Local #31 Union
- Continued updating policies with Staff
- Attended weekly Zoom Meetings regarding RASP and New ERA grants
- Continuing to work with Star Engineering and GRE reviewing information for a potential solar site

13.

CEO Janorschke discussed with the Board their thoughts on Strategic Planning.

- Very organized
- Provided clear goals
- Clearly presented
- Moved along quickly and explained well
- Looking forward to the final results

Strategic  
Planning

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Secretary

14.

President Veitenheimer reported on the GRE Board Meeting he attended on May 1 and 2.

Board Education was held in Executive Session on two topics:

- 1) Wind Projects
- 2) Crow Wing Power ending its GRE membership

An education meeting for member co-ops regarding Crow Wing will likely occur later this summer.

At the conclusion of the Education Session the Board went into The Board Executive Session to discuss a Transmission issue. After exiting Executive Session, the Board meeting was called to order. After approval of the Agenda and April minutes, three Resolutions were reviewed:

1. GRE R24-5-1: Auditor selection for consolidated financial statements
2. GRE R24-5-2: Auditor selection for Defined Contribution Retirement Plan
3. GRE R24-5-4: New ERA application for RUS portal

Corporate Services opened with a presentation by David Ranallo about the seven components of Member Engagement and Program Marketing. This touched on ways GRE members are interacting with their members and GRE's participation. He mentioned CLP's "Kilowatts & Brats", the Pollinator Program and SOTA Grown.

Eric Heiner presented "Powering Good Sustainability Updates" for GRE, sustainability is defined by

1. Mission-Provide member owners with affordable, reliable energy in harmony with sustainable environment
2. Cooperative principle 2-Democratic member control
3. Cooperative principle 7-Concern for Community

Environmental, social and governance (ESG) are the priority topics for sustainability. Refer to GRE's Sustainability Report.

Cindy Schue talked next about "Talent Management and Workforce Strategy". Summary of employee demographics:

- Average age-45.76 years
- Average tenure-11.85 years
- Average retirement age-60 years

GRE is facing labor challenges like other companies and organizations-retaining employees and finding qualified

GRE Board Meeting

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Secretary

candidates. To address the labor shortage problem, GRE is employing several strategies:

1. Retention
2. Apprentice Program
3. Outreach-through schools, organizations
4. Intern Program

Finally, the Committee reviewed the Corporate Services Committee Evaluation Survey.

The Board reconvened Thursday morning. Reports from Board President, CEO and Committees. Financials similar to previous months. Debt service coverage (DSC) at 1.17. Rating agencies prefer 1.2.

Our Business Improvement presentation was about the weather temperature forecasting tool to improve the performance of the combustion turbine fleet, maximize future capacity accreditation in the market, and more efficient and accurate generation offer process that complies with new MISO requirements.

The consent agenda, consisting of the three resolutions discussed on Wednesday, were approved. The Board adjourned and went directly into Executive Session to continue work on the Transmission issue of the previous day.

15.

CEO Janorschke reported on the GRE MMG meeting.

- CEO David Saggau reported on:
  - the Allete Sale
  - New ERA
  - Dodge County Wind
  - Meeting with the Rating Agency's
- Michelle Strobel reported on the updated financial
- Judy Chang & Paul Hibbard from Analysis Group reported on the Rate Design
- Dick Pursley from Transmission reported on 2023 Transmission Reliability Report
- Gordon Pietsch from Transmission reported on Substation Security
- GRE April 2024 PCA details

GRE MMG  
Report

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Secretary

<p style="text-align: center;">16.</p> <p>Peterson nominated Veitenheimer for Director of GRE for a one-year term beginning June 5, 2024. A motion for nomination was made by Weideman and seconded by Josephson. Motion passed.</p>	<p>GRE Certificate of Nomination</p>
<p style="text-align: center;">17.</p> <p>A motion was made by Peterson and seconded by Larsen to appoint Veitenheimer, CLP's GRE Board of Director to represent CLP at GRE's Annual Meeting on June 5, 2024, and appoint Weideman as the alternate representative. Motion passed.</p>	<p>GRE Certificate of Appointment</p>
<p style="text-align: center;">18.</p> <p>A motion was made by Peterson and seconded by Larsen to approve, with changes, Board Policy I-15 Employee training and Development. Motion passed.</p>	<p>Board Policy I-15</p>
<p style="text-align: center;">19.</p> <p>A motion was made Weideman by and seconded by Josephson to approve, with changes, Board Policy I-20 Advances to purchases by Employees. Motion passed.</p>	<p>Board Policy I-20</p>
<p style="text-align: center;">20.</p> <p>A motion was made by Peterson and seconded by Larsen to approve, with changes, Board Policy II-5 Westholm Memorial Award. Motion passed.</p>	<p>Board Policy II-5</p>
<p style="text-align: center;">21.</p> <p>A motion was made by Weideman and seconded by Josephson to approve, with changes, Board Policy II-8 Number of Services Per Meter. Motion passed.</p>	<p>Board Policy II-8</p>
<p style="text-align: center;">22.</p> <p>A motion was made by Weideman and seconded by Peterson to approve, with changes, Board Policy II-16 Contributions Program Guidelines. Motion passed.</p>	<p>Board Policy II-16</p> <hr style="width: 20%; margin-left: auto; margin-right: 0;"/> <p style="text-align: right;">Secretary</p>

23.

The Board discussed the date for the next Board meeting. The next board meeting date is set for June 26, 2024, at 9:00 a.m.

Next Meeting

24.

There being no further business to come before said meeting, adjournment was called for at 12:03 p.m. with a motion from Weideman and a second by Peterson. Motion carried.

Adjournment

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Jessica Larsen, Secretary

CORPORATE SEAL

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Secretary