

**Crow Wing Power Board Statement
Regarding Transparency Advisory Motions
December 21, 2023**

The Crow Wing Power Board issues this statement to express its position regarding an advisory motion passed by members in attendance at the 2023 Crow Wing Power Annual Business Meeting.

Every year, in the months following the annual meeting, the Board carefully reviews and discusses each advisory motion. Transparency, honesty, and openness are core cooperative principles and Crow Wing Power has always believed in these principles.

Board Action In Response To Member Requests

At annual meetings in recent years, members have asked that the Board consider several items aimed at affording more information to members. These include: asking that meeting minutes be posted on the CWP website, implementation of an electronic voting option, and to post certain information on SmartHub.

In the last few years, the Board has acted in response to these legitimate member suggestions. These are a few of the recent steps the Board has taken to address them:

1. The Board implemented an electronic voting system that was used in the director elections in 2022 and 2023.
2. The Board began listing the directors who move and second each motion in its meeting minutes.
3. The Board has decided to publish its annual Form 990 on SmartHub after it is approved each year.
4. The Board elected to prepare and publish an organizational chart showing the Board members and officers for the Cooperative and each of its subsidiaries.
5. Beginning with the 2023 annual meeting, the Board has decided to have the annual meetings professionally recorded and available for members to watch on SmartHub.
6. The Board has begun publishing position statements, like this one, to help communicate with members regarding common questions that arise. Other Board position statements are available on SmartHub and will continue to be published as necessary.

Advisory Motions (2023) Relating To Transparency

At the most recent annual meeting in June 2023, the members in attendance passed an advisory motion specifically asking that Board meeting minutes include discussions, that dates and times for subsidiary meetings be posted, that CWP's annual audits be posted on SmartHub, and that meeting minutes include copies of reports and attachments.

Many of these items have been raised in prior years. The Board has discussed them at length and has reached a consensus that no further action is necessary or warranted at this time. The Board will continue to review these matters periodically.

Meeting Minutes

The Board has determined that meeting minutes should not include an attempt to summarize the discussion undertaken by the Board at its regular meetings. Crow Wing Power has long followed *Robert's Rules of Order*, which does not require the inclusion of discussion summaries in meeting minutes. Moreover, all regular board meetings are open to members. Members that would like to attend a Board meeting should refer to Policy No. 112, or contact Crow Wing Power to make arrangements.

Publication Of Board Reports

The Board has also determined that reports and attachments should not be made part of the meeting minutes. These reports and attachments are not prepared for public distribution and are solely intended to keep the Board informed about the Cooperative. The reports can contain information about cooperative employees, they can include a candid assessment of legal risks or business opportunities, and can contain proprietary information belonging to others, like generation and transmission data.

CWP's Bylaws and relevant Minnesota statutes provide for certain business and fiscal reports to be made to members. These reports are made available at each annual business meeting.

Subsidiary Meetings

The Board has also determined that meetings of the Cooperative's subsidiaries should not be posted. CWP's subsidiaries each meet at least once per year. Each subsidiary board is comprised of all of the directors of the Cooperative. Aside from these annual meetings, the subsidiaries hold meetings only when necessary. Oftentimes, these as-needed meetings require executive session to receive or solicit legal advice or discuss personnel or financial matters critical to the operation of the subsidiaries.

Public disclosure of these and related matters would be detrimental to the subsidiaries' operations and, accordingly, would be detrimental for the Cooperative as a whole. Financial statements for the subsidiaries, with proprietary information and competitive information redacted, is available for public in-person inspection at CWP's headquarters.

Annual Audits

The Board has also concluded that CWP's annual audits should not be posted on SmartHub. The annual audits contain very sensitive financial information. The Board receives the annual audit each year and considers it. The Board also periodically reviews the financial condition of CWP and its subsidiaries to ensure that they are operating well. These are responsibilities that the membership entrusts the Board to carry out. CWP releases certain financial information to members each year, and members are always free to ask for copies of that information.

Summary & Conclusions

The Board values input from the Cooperative's membership. This is why the Board carefully studies the advisory motions made at each annual meeting, and this is why the Board has approved and directed certain changes in recent years which directly address most of those suggestions. The Board hopes that by publishing this statement, and by clearly communicating the consensus reached after closely examining some of these reoccurring advisory motions on several occasions, members will be more informed about the Cooperative and the reasons why the Cooperative functions the way that it does.

The Board will continue to consider and review all feedback from members regarding transparency and openness, and will continue to take reasonable steps to ensure that the Cooperative operates as transparently and openly as reasonably possible.

Approved by the Crow Wing Power Board of Directors December 21, 2023.