

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION  
Minutes of the Regular Meeting of the Board of Directors

May 22, 2024

A regular meeting of the Board of Directors of Alger Delta Cooperative Electric Association was held on May 22, 2024.

**Call to Order and Roll Call:**

The meeting was called to order by Chair Lawless at 1:00 p.m. EST.

Directors present: District 1-Darryl Small, District 2-Karen Alholm, District 3-Mike Lawless, District 4-Bill Wotruba, District 5-Steve Wery, District 6-Jesse Betters, District 7-Kirk Bruno, District 8-Don Johnson, District 9- Steve Dausey.

Directors absent: None

Also present were (General Manager) Mike Furmanski, (Finance Manager) Lynn Labadie and 5 guests.

**Approve the Agenda:**

***Moved by Director Wery to approve the agenda as presented, support by Director Dausey. Motion carried.***

**Member Comments:** Comments were made by Shirley Beaudreau from District 7, Jay Kirby from District 1, and Tim Jenkins from District 3. Comments included recent outages, rate increase, and tree trimming.

**Minutes:**

***Moved by Director Wery to approve minutes of April 17, 2024 regular meeting, support by Director Wotruba. Motion carried.***

**Approve the Administrative Items:**

***Motion to approve check register in the amount of \$1,554,665.95 by Director Bruno with support by Director Betters. Motion carried.***

***Motion to approve the administrative items (membership applications, director's expenses, manager's expenses, and estate retirements) as submitted in the board packet was made by Director Dausey, with support by Director Bruno. Motion carried.***

**Old Business:**

- Safety Update
  - No injuries to report.
  - Safety meeting was held last week on first aid, AED use etc.

**New Business:**

- MECA Partnership Agreement
  - Money is about the same-fixed charge plus so much per meter.
  - A rolling evergreen 5-year commitment.
  - Furmanski recommends approval of the final draft.
  - ***Moved by Director Betters to proceed with the membership agreement as presented, support by Director Wery. Motion carried.***
- MECA Wolverine Service Agreement
  - Expected to be approved at their next meeting.
- MECA Board Resolution
  - MECA Board Resolution 2024-01 was provided for Alger Delta Board information.
- 2023 Audit Presentation
  - Presentation of the 2023 Audit was given by Eide Bailly representative Joy Mullen.
  - Topics covered included: audit objectives, risk assessment, procedures, timeline, opinion, GAS report, financials, TIER, and equity.
  - There were no recommendations for changes to be made.
  - ***Moved by Director Betters to accept the audit as presented, support by Director Johnson. Motion carried.***
- 2023 Margin Allocation
  - ***A motion to adopt the resolution for 2023 margin allocations in the amount of \$1,021,975 was made by Director Johnson, support by Director Bruno. Motion carried.***
- COSS & Rate Study Results
  - Process was started three years ago.
  - Recommending fixed cost of \$49.34 from \$45 and leave energy charge at 12.8 cents.
  - 30 day notice to be provided to the members.
  - ***Moved by Director Bruno to implement rate adjustment as proposed and presented, support by Director Wery. Motion carried.***

**Staff Reports:**

Operations Manager Report-Tiernan

- Work Plan Projects
  - Isabella Tie Line Project-Current Status: Crews are actively engaged in preparing for the interconnection. This critical project is advancing as scheduled, ensuring that all necessary components are in place for a seamless integration.
  - White Rapids System Upgrades-Staking and Design: The team continues to make significant progress on the staking and designing of system upgrades in the White Rapids area. This initiative aims to enhance the reliability and capacity of our infrastructure, aligning with our long-term strategic goals.

- **Maintenance Items**
  - **Marquette Crew-System Upgrades:** The crew is diligently working on system upgrade projects in Harvey and Big Bay. These upgrades are essential to modernize our systems and improve overall service quality.
  - **Gladstone Crew-Isabella Upgrades & New Services:** in addition to ongoing system upgrades in Isabella, the crews are also handling new service installations. These efforts are crucial to meet the growing demand and ensure consistent service delivery.
- **Vegetation Crews**
  - **Cedar River and White Rapids Area-Current Operations:** Vegetation crews are currently deployed in the Cedar River and White Rapids areas, focusing on maintaining clear rights-of-way and preventing potential service disruptions
  - **Grand Marais Area-Upcoming Focus:** Plans are in place to move a couple of crews to the Grand Marais area, with completion anticipated in the coming weeks. This shift will ensure that vegetation management activities are comprehensive and timely.
- **Warehouse/Facilities**
  - **Seney Substation-Conex Box Installation-**A Conex box has been installed at the Seney Substation to store materials and equipment required during storm events. This proactive measure will enhance our readiness and response capabilities.
  - **Rapid River Material Yard-Overstock and Special Equipment:** Efforts are underway to relocate overstock and special equipment to our Rapid River material yard. This consolidation will improve inventory management and operational efficiency.
- **Safety**
  - **Training Initiatives-First Aid/CPR & AED Training:** Jared from UP First Aid conducted this month's safety meeting, providing comprehensive First Aid/CPR & AED training for office staff. A follow up session is scheduled in June for field staff, ensuring that all team members are equipped with vital emergency response skills.
- **Equipment**
  - **New Radio System-Acquisition:** A new radio system has been purchased to enhance communication capabilities across our operations. This upgrade is expected to improve coordination and operational efficiency, particularly in remote and high demand areas.

#### Office Manager Report-Priebe

- **Meter Exchanges -**Exchanging meters that locked up after a storm.
- **Work Order Completion-**As-built/Final inspection.
- **Annual Meeting-Registration** open May 8-May 29 or 450 members.
- **IT-Servers-5-year age limit-**Replacing main server and 3 Aclara servers.

- Mapping-Misplaced meter locations- Equipment and Facility ID issues- as-built/new construction
- NICS-Financials Connect-Conversion training with Lynn-converting all employees over-timesheet entry
- OMS-Prediction model training
- ERP (Emergency Response Plan)-To operations for final proofing
- Billing/Outages/Events
  - Total members billed April 2 024: 10440.
  - Total estimated-252
- Link to Country Lines Magazine was provided.
- Link to new updated Board of Directors time card was provided.
- Social Media Recap
  - Lineman Appreciation Day
  - Annual Meeting registration
  - Special Meeting of the Board
  - Administrative Assistant Day
- Service/Work Orders
  - April 2024 processed service orders-221.
  - April 2024 new meters-27
  - April 2024 new services-6
  - April 2024 transfers-36.

#### Finance Report-Labadie

- Federated Insurance
  - Met with Matt Yanchik, account executive, Federated Insurance-annual review of our insurance coverage: 7.8% increase.
- Standard Costs
  - Continue to work on gathering numbers from our Zoom Meeting with Terilyn Wallis Consulting 1/18/24 to start reviewing standard costs and overhead- re: work orders.
- Audit
  - Done!
- 990
  - Gathered and submitted requested items from PBC list for the 2023 990.
- 2023 Power Cost Adjustment
  - 1/2/24 billing=(.0046), 2/1/24 billing=(.0051), 3/1/24 billing=(.0133), 4/1.24 billing=(.0008), 5/1 billing=(.0116), 6/1 billing=(.0123).
- Capital Budget
  - Information provided to Directors on their Dashboards.
- March 2024 & April 2024 (preliminary) Financials
  - Financial information is available on the Dashboard.

#### General Manager-Furmanski

Power Costs-Lower than the last couple of years for April.

Power Sales-Reduced April sales compared to last couple of years.

- Evaluating various EWR options-MECA, WPPI, State of Michigan.
- Possible increase in MEAP funding.
- Braedon Thill of Garden and Mattie Prestin of Stephenson are the 2024 scholarship winners.
- Toured CRC on April 30<sup>th</sup>.
- Attended the NRECA Legislative Conference.

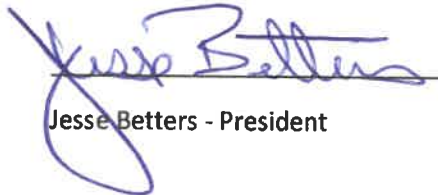
#### WPPI Update

- Brett Niemi provided an WPPI update.
- He also presented a check to Cedarville Township for electric improvements at Fox Park that included a match from CoBank.

The Board thanked Chair Lawless for his service to Alger Delta.

#### Adjourn:

- ***Moved by Director Bruno to adjourn, support by Director Wery Motion carried.***
- Meeting adjourned at 2:48 p.m. EST.



Jesse Betters - President



Kirk Bruno - Secretary/Treasurer