

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION

Minutes of the Regular Meeting of the Board of Directors

July 12, 2023

A regular meeting of the Board of Directors of Alger Delta Cooperative Electric Association was held on July 12, 2023.

Call to Order and Roll Call:

The meeting was called to order by President Lawless at 12:59 p.m. EST.

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

Directors absent: District 9- Dausey.

Also present were (General Manager) Mike Furmanski, (Finance Manager) Lynn Labadie, (Operations Manager) Troy Tiernan.

Approve the Agenda:

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

Member Comments: None

Minutes:

Moved by Director Alholm to approve minutes of May 17, 2023 regular meeting and June 28, 2023 re-organizational meeting, support by Director Johnson. Motion carried.

Approve the Administrative Items:

Motion to approve June check register in the amount of \$1,781,595.24 by Director Alholm 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 Johnson, with support by Director Betters. Motion carried.

Old Business:

- Safety Update
 - MECA has been informed that Alger Delta will not be part of their safety program starting in 2024.
 - Tiernan feels the new plan will work better.
- Gold Resources
 - Furmanski talked with their General Manager a few weeks ago.

- Things are looking positive.
- Environmental Site Assessment
 - Phase I came back a week ago.
 - Lead/asbestos survey came back today.
 - Nothing came back on the actual site.
 - Concerns about neighboring property.
 - Tabled until more information is available.

New Business:

- Audit Presentation by Eide Bailly
 - An unmodified opinion was provided.
 - A GAS report was also provided.
 - Weaknesses-Preparation of financial report and lack of segregation, both of which are not uncommon in a smaller organization.
 - ***Moved by Director Alholm to accept audit as presented, support by Director Wery. Motion carried.***
- 2022 Margin Allocation
 - ***Moved by Director Alholm to adopt Resolution for Margin Allocation for 2022, support by Director Johnson. Motion carried.***
- Committee Assignments
 - President Lawless assigned directors to committees as follows:
 - WPPI-Director Bruno
 - MECA-Director Johnson
 - Finance & Rates-Director Bruno (Chair), Directors Wery, Wotruba, Betters.
 - Policy-Director Alholm (Chair), Directors Small, Johnson, Dausey.
- MIP Discussion
 - Program is full for this year.
 - Registration opens for next year on March 19th.
 - ***Moved by Director Johnson to support Furmanski doing the program not to exceed \$15,000, support by Director Alholm. Motion carried.***
- Youth Tour
 - Discussion on how the youth get to Grand Rapids and who covers this cost.
 - Tabled while Director Johnson finds out how other co-ops handle this.

Staff Reports:

Operations Manager Report-Tiernan

- Work Plan Projects
 - Tiernan provided a Pineau-Autrain Tie Line update.
 - Moving to Grand Marais next
 - An Isabella Tie Line update was given-working on easement.

- Maintenance Items
 - AD Crew continue to work on reject poles and system upgrades.
- Vegetation Crews
 - Vegetation crews are working in the Big Bay, Stephenson and areas.
- Warehouse/Facilities
 - Installed entrance gates for Pineau Sub and Watson Sub.
- Safety
 - Continue to work on RESAP improvements.
 - Working on Safety Program for 2024.
- Equipment
 - Purchased a used F550 Bucket Truck.
 - Looking to order a new digger truck

Office Manager Report-Priebe

- NISC Training
 - Attended iVUE systems monitoring & Maintenance Virtual Workshop May 3-4th.
 - Attended On-Site Worker Order/Finance Training June 6-7.
- GIS Server Received/Installed
 - All mapping/staking activities running on new server.
- Internal/External Vulnerability Analysis-Cyber74/DSTech
 - First call set up for July 25th to schedule risk assessment.
 - Review of the following: internal security policies, active directory permissions, Windows update, Office 365, AV settings, firewall policies, NIST 800-53 risk questionnaire, dark web scans.
- Disaster Recovery/Emergency Action Plan Document in review stage
 - Incorporate a comprehensive cybersecurity disaster recovery plan.
 - Harden our environment
 - Step-by-step manual to ensure the existence of ongoing operations and maintenance programs.
- Billing
 - Total billed meters June: 10452.
 - Total estimated-12
- Annual Meeting
 - 346 registered
 - Total expected with employees-407
- Social Media Recap
 - Big Bay planned outage
 - Storm June 14th
 - Annual meeting
 - Crews energized 2.1 miles of new line along M28
 - Donations: Cooperative Family Fund, Blue Ribbon Sponsor 2023 UP State Fair

- Expense Report
 - Provided link to expense report.
- Service/Work orders
 - June 2023 processed service orders-199.
 - June 2023 new meters/services-12
 - June 2023 new members-47, transfers-40.
- Zero Usage graph was provided

Finance Report-Labadie

- Audit
 - Complete!
- Work Order Training
 - Terilyn Wallis Consulting-Two day workshop on work orders June 6-7.
- Meeting-RUS
 - Met with Robyn Jenson with RUS on June 27th.
 - Currently working through some coding issues with the 219s with the RUS field accountant.
- 990
 - Working on finalizing the 990.
 - Presentation scheduled for the August 9th Board meeting.
- Line of Credit
 - Took a draw of \$500,000 from CoBank Line of Credit on June 30th.
 - Working on a drawdown from the AS45 Loan to pay off line of credit, Autrain project and truck being delivered this fall.
- April-May 2023
 - Margin for April \$27,346.66 which gave us a year-to-date margin of \$360,798.94, but then with the storm in early May, Margin (\$208,562.98) thus year-to-date margin \$152,235.96.
- Reminder
 - Next Director's webinar on July 18th-Electric Finance Philosophies 9:30-10:45 am EST.

General Manager-Furmanski

Power supply-Up for seasonal climb, but down compared to previous two years.

- Continue working with Cloverland on a tie line for Isabella.
- Continue working with MBPL and ATC at the Pineau Substation.
- Hired a college student through MiWorks to help with mapping.
- 11 disconnects due to service charge increase.

Committee Reports & Agendas- None

Executive Session

- Topic of discussion – Strategic Planning

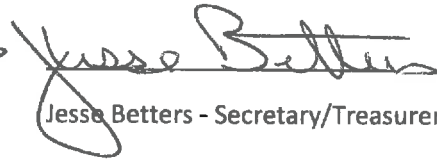
- ***Moved by Director Johnson to move into executive session, support by Director Wery. Motion carried.***
- Board entered Executive session at 3:20 p.m.
- ***Moved by Director Alholm to leave executive session, support by Director Johnson. Motion carried.***
- Board exited Executive session at 3:50 p.m.

Adjourn:

- ***Moved by Director Wery to adjourn, support by Director Alholm. Motion carried.***
- Meeting adjourned at 3:51 p.m. EST.



Mike Lawless - President



Jesse Betters - Secretary/Treasurer