

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

August 9, 2023

A regular meeting of the Board of Directors of Alger Delta Cooperative Electric Association was held on August 9, 2023.

**Call to Order and Roll Call:**

The meeting was called to order by President Lawless at 1:01 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, (Office Manager) Shannon Priebe.

**Approve the Agenda:**

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

**Member Comments:** None

**Minutes:**

***Moved by Director Alholm to approve minutes of July 12, 2023 regular meeting with changing outages to billing in Priebe's report, support by Director Johnson. Motion carried.***

**Approve the Administrative Items:**

***Motion to approve June check register in the amount of \$1,459,830.23 by Director Betters with support by Director Wery. 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 Alholm, with support by Director Johnson. Motion carried.***

**Old Business:**

- Safety Update
  - Safety meeting last week with MECA.
  - No incidents to report.
- Gold Resources
  - Nothing to report.

- Environmental Site Assessment
  - Phase II will be done for \$9800.
  - Grants for cleanup & brownfield were discussed.
- Youth Tour Update
  - Director Johnson had gathered some information.
  - Each co-op decides how they want to handle transportation.
  - He will ask for copies of their policies at their next in person meeting.
  - Tabled until more information on what actual costs are.

**New Business:**

- Form 990 Presentation by Eide Bailly
  - As PPP forgiveness was a onetime thing there is a change from last year.
  - Carrie explained what the IRS is looking for, where the information came from and provided a summary.
  - ***Moved by Director Bruno to accept Form 990 as presented, support by Director Alholm. Motion carried.***
- Capital Credit Discussion
  - Currently up to year 1993.
  - None were retired last year.
  - ***Moved by Director Alholm to table discussion until January to consider the effects of service charge and rate change to have better insight into the financials, support by Director Bruno. Motion carried.***
- Segregation of Duties Discussion
  - This is a follow up to audit.
  - Eide Bailly suggestions:
    - Have a motion in the minutes to accept Labadie's monthly financial reports as presented.
    - Furmanski to sign off on journal entry review process, bank reconciliation review process, and account reconciliation review process.
  - ***Moved by Director Alholm to accept the suggestions and have them be implemented by staff, support by Director Wery. Motion carried.***

**Staff Reports:**

Operations Manager Report-Tiernan

- Work Plan Projects
  - Crews continue to work on the Deerton Tie line.
  - Designing Hiawatha Underground Feeder Project.
- Maintenance Items
  - Crews continue to work on new services along with system upgrades.
- Vegetation Crews

- Vegetation crews are working in the Big Bay and Stephenson areas.
  - Planning to move to G.M. to complete that area in a few weeks.
- Warehouse/Facilities
  - Continue to work on substation improvements-gravel, signage, etc..
- Safety
  - Continue to work on RESAP improvements.
- Equipment
  - Purchased a used 2017 F250 for the small fleet. This truck will be replacing a 2013 F250 with 340,000 miles.

#### Office Manager Report-Priebe

- Internal/External Vulnerability Analysis Cyber74/DSTech
  - Assessment process August 7-14
  - 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.
  - Review of findings no later than September 15th
- Disaster Recover/Emergency Action Plan Document
  - All mapping/staking activities running on new server.
- Internal/External Vulnerability Analysis-Cyber74/DSTech
  - First call set up for July 25<sup>th</sup> 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.
    - In review stage.
    - Incorporate a comprehensive cybersecurity disaster recovery plan.
    - Will harden our environment.
- Camera/Security-Ranger Security
  - Updated passwords and moved ports for added security.
- MapWise
  - Continue updating inspections and as-builts.
- Billing/Outages/Events
  - Total members billed July 2023: 10471.
  - Total estimated-16
- Social Media Recap
  - Link to Alger Delta's Facebook page was provided.
  - Outage heavy equipment
  - 4<sup>th</sup> of July
  - Accepting applications for Junior Market Livestock Auction.

- Donations: Cooperative Family Fund, Blue Ribbon Sponsor 2023 UP State Fair
- Expense Report
  - Provided link to expense report.
- Service/Work orders
  - July 2023 processed service orders-198.
  - July 2023 new meters/services-40
  - July 2023 transfers-44.

#### Finance Report-Labadie

- 2022 Allocation
  - 2022 Allocations for members will print on their 9/1 bills; notices will be mailed to inactive members on 9/11/23.
- 990
  - Reviewed draft and 2022 990 is ready for approval.
- Donation
  - Approved for the final \$2500 match with CoBank and donating a total of \$5000 to Burt Township for a generator for their community center.
- May & June 2023
  - Final copy of May financials after receiving the rest of the storm related invoices. May 2023 Net Margin=(218,097.08)
  - Margin for June 2023=(17,466.87): Year to Date: \$125,234.99, slightly above where we were at a year ago.
  - Power costs continue to come in under budget-July's power costs=\$836,656.09
- Credit Card Processing Fees
  - Limited to what NISC has to offer-\$3.95 convenience fee model.
  - For members not on autopay; would be charged \$3.95 fee whether they pay via ACH, credit card or debit card. The only way we could control who gets charged the fee if you limit the method of payment by payment option.
  - For members on auto pay-can't charge a fee. Thus, Alger Delta would incur our local bank's ACH charges as well as credit card fees from First Data, but the fees would be higher using the \$3.95 model as we lose the utility discount we are currently getting.
  - Of the 800 members of NISC, only about 20 members are currently using the \$3.95 convenience fee model.
  - My recommendation is to concentrate our efforts on paperless billing.
  - **Moved by Director Bruno to accept Labadie's June Financials as presented, support by Director Better. Motion carried.**

#### General Manager-Furmanski

Power supply-Up for July as expected, but still below last year.

- 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.
- Started planning the Hiawatha cable replacement project.
- CCD training in Marquette Oct. 2-6th

**Committee Reports & Agendas-**

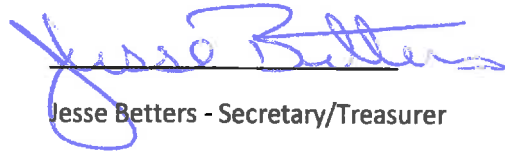
- Directors Bruno and Johnson attended MI Energy Provider Conference
  - All speakers concerned included dramatic weather events due to climate change.
  - Decisions can become life or death.
  - Eagle is the only nickel mine in the US, closing in 2027.
  - Recovery plan is the most important thing in cyber security.
  - Customer service-team patience and training are important.

**Adjourn:**

- ***Moved by Director Johnson to adjourn, support by Director Small. Motion carried.***
- Meeting adjourned at 3:15 p.m. EST.



Mike Lawless - President



Jesse Betters - Secretary/Treasurer