

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION

Minutes of the Regular Meeting of the Board of Directors

September 20, 2023

A regular meeting of the Board of Directors of Alger Delta Cooperative Electric Association was held on September 20, 2023.

Call to Order and Roll Call:

The meeting was called to order by Director Betters at 1:00 p.m. EST.

Directors present: District 1-Darryl Small, District 3-Mike Lawless (virtual), 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: District 2-Karen Alholm

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

Approve the Agenda:

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

Member Comments: None

Minutes:

Moved by Director Wery to approve minutes of August 9, 2023 regular meeting, support by Director Johnson. Motion carried.

Approve the Administrative Items:

Motion to approve August check register in the amount of \$2,713,355.11 by Director Dausey with support by Director Johnson. 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 Dausey. Motion carried.

Old Business:

- Safety Update
 - Safety meeting next week with MECA.
 - 2-3 more with MECA – then on our own.
 - No incidents to report.
- Gold Resources
 - Nothing to report.

- Environmental Site Assessment
 - Phase II is complete.
 - Overall, pretty common results and what they expected to find.

New Business:

- Policy 309 Discussion
 - Legal has approved the draft.
 - ***Moved by Director Johnson to adopt Policy No 309, support by Director Wery. Motion carried.***
 - Priebe has incorporated Cybersecurity Policy-Policy No 309 into the Disaster Recovery Plan.
- Substation Property Discussion
 - Furmanski found a 40 acre property for sale north of Rapid River with lines across.
 - Possible substation site
 - It is big enough for a new building in the future.
 - Zoned Resource Production now.
 - Furmanski asked about mineral rights and the realtor is checking.
 - Asking price of \$100,000.
 - Furmanski and Tiernan are both in favor of purchasing this property.
 - ***Moved by Director Wery to suspend the purchase of the property next door, support by Director Wotruba. Motion carried.***
 - ***Moved by Director Johnson to authorize Furmanski to move ahead on the purchase of the new location up to \$105,000, support by Director Bruno. Motion carried.***
- Annual Meeting Discussion
 - Looking for ideas for 2024.
 - Furmanski checked what other co-ops in the state do.
 - Will keep topic on the agenda.
- Energy Legislation Update
 - Furmanski had a call on Monday with MECA.
 - There is currently a four-bill package in play.
 - SB 271-RPS/Clean Energy Standard
 - SB 273-Energy Waste Reduction
 - SB 502-Additional MPSC Authorities
 - HB-MPSC Renewable Siting Authority

Staff Reports:

Operations Manager Report-Tiernan

- Work Plan Projects
 - MJ Electric continues to work on the Deerton tie line.
 - Provided an Isabella tie line, Hiawatha underground update.

- Maintenance Items
 - Crews continue to work on new services along with service upgrades.
- Vegetation Crews
 - Vegetation crews are working in Big Bay and tree tickets.
- Warehouse/Facilities
 - Continue to work on substation improvements-gravel, signage, etc..
- Safety
 - RESAP October 16-19.
- Equipment
 - Donated a digger derrick (2008) Freightliner and a 2015 F250 pickup to Midwest Skills Line School (Gwinn).

Office Manager Report-Priebe

- Internal/External Vulnerability Analysis Cyber74/DSTech
 - Assessment completed
 - Work with DSTech to eliminate our vulnerabilities: password policies, dual authentication, server patches and upgrades, Office 365 passwords/dual authentication.
 - Furmanski will work on getting everyone on an email system.
- 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.
- MapWise
 - Train Natalie-part time assistant catch up with inspections
- Continue updating inspections and as-builts.
- Preparing for RESAP-October.
- NISC-Employee Self-Serve Upgrade: Moving to a cloud-based application.
- High School Career Fair-October 19th & 24th.
- Meter Exchanges began last week-Gourley area then moving to Grand Marais.
- Billing/Outages/Events
 - Total members billed August 2023: 10477.
 - Total estimated-10
- Social Media Recap
 - Link to Alger Delta's Facebook page was provided.
 - CoBank & WPPI Energy \$5000 to Burt Township.
 - Scholarship Recipients: Sydney Ebsch & Cole Bennetts.
 - August thunderstorm hit Cedar River
 - Donations: Digger truck to Midwest Skills Development Center and Line Tech Program

- Expense Report
 - Provided link to expense report.
- Service/Work orders
 - August 2023 processed service orders-230.
 - August 2023 new meters/services-42.
 - August 2023 transfers-44.

Finance Report-Labadie

- Junior Market Livestock Auction
 - Purchased Aaron Bollon's steer and Wyatt Ammel's hog at the auction held on August 19th, form to win a meat bundle is in the Sept/Oct Country Lines-there will be 30 meat bundles on Sept. 29th.
- PCA
 - PCA for 8/3. Billing:+\$.013
 - PCA for 10/2 billing:+\$.0106
- July & August 2023
 - July shows a positive net margin! August slightly negative margin.
 - Margin for July 2023 = \$40,905.87 and Margin for August 2023 = (\$3,750.84); year to date: \$187,384.31; over double from where we were at this time last year; barring any big storms-hope to finish out the year strong!
 - Year to date: sales slightly higher than last year, power cost lower than last year (power costs continue to come in under budget-August power cost=\$793,743.90); expenses generally trending higher.
 - Equity ratio-July 2023: 33.68 and August 2023: 32.43-\$2.5M drawdown in August and also put new meters on books-\$775K; I expect this to slowly trend upwards assuming a strong finish for the rest of the year.
- Storm Costs
 - Mutual aid crews, meals, hotels, and our employees labor costs; May storm (late snow storm)=\$192,863.80, August (Cedar River)=\$100,549.01.

General Manager-Furmanski

Power supply-Lower than the last 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.
- Started planning the Hiawatha cable replacement project.
- CCD training in Marquette Oct. 2-6th
- Mike Peters, CEO of WPPI will be here Oct. 18th.

Youth Tour Cost Update-Director Johnson

- Still do not know this year's cost.

- Furmanski has a call with MECA tomorrow and will try to find out.

Adjourn:

- ***Moved by Director Johnson to adjourn, support by Director Wotruba. Motion carried.***
- Meeting adjourned at 2:39 p.m. EST.



Mike Lawless - President



Jesse Betters-Secretary/Treasurer