

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

October 18, 2023

A regular meeting of the Board of Directors of Alger Delta Cooperative Electric Association was held on October 18, 2023.

Call to Order and Roll Call:

The meeting was called to order by Director Betters at 12:55 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.

Approve the Agenda:

Moved by Director Wery to approve the agenda with moving New Business-WPPI Presentation to beginning and adding Alger County Rural Stakeholder Meeting to New Business, support by Director Johnson. Motion carried.

Member Comments: None

Minutes:

Moved by Director Dausey to approve minutes of September 20, 2023 regular meeting, support by Director Small. Motion carried.

Approve the Administrative Items:

Motion to approve August check register in the amount of \$2,384,434.52 by Director Small with support by Director Alholm. 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 Small. Motion carried.

New Business:

- WPPI Update by Mike Peters
 - Update included: their resources, power cost with projections, source locations, environmental responses, challenges, steps taken to keep costs down and the MI energy proposals.
 - They will be able to meet the MI legislation of 100% clean energy by 2040 if it passes.

Old Business:

- Safety Update
 - RESAP happening right now, everything has been good.
 - 2 more with MECA – then on our own.
 - No incidents to report.
- Gold Resources
 - Hope to sign an agreement soon.
- Annual Meeting Discussion
 - Furmanski is hoping to lower costs.
 - Director Betters suggested we use this opportunity for education
 - Eliminating the speaker and door prizes were discussed as ways to save money.

New Business:

- Substation Property Discussion
 - As of today, there is a signed purchase agreement.
- Alger County Rural Stakeholder Meeting
 - To be held next Tuesday.
 - Furmanski plans to attend virtually.

Staff Reports:

Operations Manager Report-Tiernan

- Work Plan Projects
 - Autrain tie line completed. Looking to cutover the Autrain members to the new line at the end of October.
 - Working on Hiawatha work plan.
- Maintenance Items
 - Crews continue to work on new services along with service upgrades.
- Vegetation Crews
 - Tree crews are working in the Stonington and Grand Marais areas.
- Warehouse/Facilities
 - Continue to make improvements at Hiawatha, Watson Substations.
- Safety
 - RESAP this week-Tuesday through Thursday.
 - Will update the results at the next Board meeting.
- Equipment
 - Working on 2024 equipment budget.

Office Manager Report-Priebe

- Internal/External Vulnerability Analysis Cyber74/DSTech
 - Assessment completed-working through mediation with DSTech

- Work with DSTech to eliminate our vulnerabilities: password policies, dual authentication, server patches and upgrades, Office 365.
- Continue updating inspections and as-builts.
- RESAP-October 16-19.
- NISC-New look & feel. SmartHUB, Cloud based, Updated security.
- Meter Exchanges complete in Gourley area then moving to Grand Marais.
- Cookbook-Cooking for a Cause-Best of Michigan Country Lines Cookbook
 - Will compile standouts from the past 10 years.
 - Will be sold exclusively on Amazon starting early November.
 - To be promoted in the Nov/Dec issue of Michigan Country Lines.
 - Proceeds to go to Feeding America local food banks and Cooperative Family Fund.
 - Link to purchase was provided.
 - Two Alger Delta members will be featured: Kris Hazeres-Homemade donuts and Melody Brown-Easy taco soup.
- Billing/Outages/Events
 - Total members billed August 2023: 10464.
 - Total estimated-33
- Social Media Recap
 - Link to Alger Delta's Facebook page was provided.
 - Supporting Youth-meat bundle raffle-30 winners.
 - F250 donation-Midwest Skills Development Center & Line Tech Program.
 - Gourley meter exchanges.
- Expense Report
 - Provided link to expense report.
- Service/Work orders
 - September 2023 processed service orders-183.
 - September 2023 new meters/services-66.
 - September 2023 transfers-50.

Finance Report-Labadie

- Webinars
 - NICS-IRS changes and Year End Payroll Review.
 - WECA Webinars: Process Improvement as well as the Financial Responsibility as an Electric Co-op Board Member.
- PCA
 - PCA for 8/31 billing: =+\$0.0130
 - PCA for 10/2 billing: =+\$0.0106
 - PCA for 11/1 billing: =+\$0.0119
 - Total PCA collected for year to date: \$232,724.29
- September 2023
 - Margin for September 2023 = \$80,205.96; year to date: \$266,767.14; trending the same as September 2022.

- Year to date: sales slightly higher than last year, power cost lower than last year (power costs continue to come in under budget-September power cost=\$727,908.65); expenses generally trending higher.
- Equity ratio-September 2023: 32.97% (increase from August 2023). I expect this to slowly continue to trend upwards assuming a strong finish for the rest of the year.
- 2024 Budget
 - Next Project!

General Manager-Furmanski

Power supply-Continues to be lower than previous years.

- Continue working with Cloverland on a tie line for Isabella.
- Continue working with MBPL and ATC at the Pineau Substation.
- Started planning the Hiawatha cable replacement project.
- Continue watching proposed energy legislation.
- Moving forward with land purchase for substation
- Youth tour bill was just under \$2800, on the call with MECA this week.

Committee Reports & Agendas

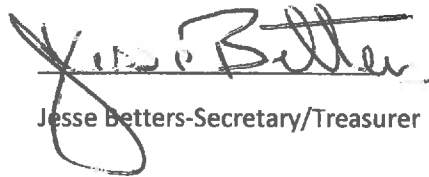
- Finance & Rates
 - Held organizational meeting to create list of priorities
 - Budget first then Eagle Mine shutdown and capital credits practice.

Adjourn:

- ***Moved by Director Johnson to adjourn, support by Director Wery. Motion carried.***
- Meeting adjourned at 2:50 p.m. EST.



Mike Lawless - President



Jesse Betters-Secretary/Treasurer