

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

April 20, 2022

A regular meeting of the Board of Directors of Alger Delta Cooperative Electric Association was held on April 20, 2022.

Call to Order and Roll Call:

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

Directors present: District 1-Darryl Small, District 3-Mike Lawless (virtual), District 4-Dave Prestin, District 5-Wery, District 6-Jesse Betters, District 7-Kirk Bruno, District 8-Don Johnson (virtual), District 9- Doug Bovin.

Directors absent: District 2-Karen Alholm,

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

Approve the Agenda:

Moved by Director Betters to approve the agenda with changing Rates & Finance to right after approval of the agenda, support by Director Prestin. Motion carried.

Rates & Finance Committee Report:

- Have been meeting the past three months.
- Committee is close to a recommendation to the Board.
- They are focused on what Policy 119 dictates.
- WPPI conducted a Cost Study to assign fixed costs.
- Proposing a three year phasing of rates structure.
- Discussed reinstating a power cost rate plan to address the monthly cost changes.
- Changes to be made based on charges per meter.

Member Comments: None

Minutes:

Moved by Director Prestin to approve minutes of March 16, 2022 meeting as read, support by Director Wery. Motion carried.

Public Hearing on Rates:

- Furmanski provided information about what led to the Rate Restructure Plan.
- Costs and issues were highlighted.
- WPPI's conclusions were shared.

- Several members thanked Alger Delta for their work after storms that last few years.
- Member asked how Shakey Lakes Park is classified as it has several meters.
- Member would like Alger Delta to consider underground service in trouble spots.
- A member asked for an explanation of why Alger Delta rates are some of the highest in the U.P.
- Safety of the smart meters was of concern to one member.
- Will there be transparency about what the actual costs are?
- Is Alger Delta receiving any grants to offset the costs?
- New plan may discourage energy efficiency.
- Low volume users may disconnect and then reconnect for the short time its used.

Approve the Administrative Items:

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

Old Business:

- Safety Update
 - Three vehicle accidents since last meeting.
 - There were no injuries.
 - No citations were issued.
 - Tiernan is planning to talk to MECA about addressing driving during the next safety meeting.
- Aquila Resources
 - Hearing was moved to June 2, 2022.
 - A couple other organizations willing to file amicus briefs in support of us.
- Aclara
 - Things have been the same.
 - Trying to get some +meters, possibly this summer.
 - A call is scheduled with them tomorrow.

New Business:

- Office back up generator
 - Office power was out for five hours.
 - Only a couple places will do the back up generators, and only one responded.
 - If ordered today, we are looking at 26 weeks.
 - Tiernan will bring a recommendation back to the Board.

Staff Reports:

Operations Manager Report-Tiernan

- Work Plan Projects
 - Crews continue to work on the Watson system improvement project.
- Maintenance Items
 - Line crews continue to repair miscellaneous maintenance items found while doing line inspections.
- Vegetation Crews
 - Bugle crews continue to work in the Harvey and Rapid River area. Moving crews to Seney in May
- Warehouse/Facilities
 - We continue to make improvements in the warehouse/basement.
- Safety
 - Attended an operations/safety round table at Cloverland Electric.

Office Manager Report-Priebe

- Tech/IT
 - DSTech /NISC Servers upgraded.
 - Remit, Vault and Web proxy server all upgraded.
- Outages
 - Total outages for March-2989.
 - Billable/member caused outages-1
- Social/community
 - Outage updates were posted throughout the storm.
 - National Lineworker Appreciation Day-April 18.
 - Employee spotlight featuring two employees.
- Annual Meeting
 - Wednesday June 15th. Doors open at 5:00 p.m.
 - Location-Island Resort & Casino.
 - Registration will be available online/phone beginning May 9, 2022.
 - Maximum of 450 guests.
 - There will be give-a-ways and door prizes.
- Billing
 - Total estimated meters for billing-unavailable due to meter exchanges.
 - Total meters billed in March-10,329.
- Rate Restructure Meetings
 - Postcards notifying membership rate discussion mailed to all members.
 - Listed meeting dates, times and locations.
 - Rate discussion information is available on the website.
 - May 18th-Pineau substation dedication at 11:00 a.m.

- Yvonne Whitman from MI Country Lines magazine will be attending.
- Expense Report
 - Provided link to expense report.
- Service/Work orders
 - March transfer of accounts-29.
 - Upgrade and new service applications as expected-just a handful.
 - Total closed service orders-179.
 - Continued GIS Updates/Inspections.
 - Retirements.

Finance Report-Labadie

- Finance & Rates Committee
 - Thank you to the committee for their work to come up with a proposal.
- Form 7
 - Form 7 is complete with pre-audit numbers; will update if there are any changes from the audit and submit by the end of April.
- February Financials
 - Preliminary February and March financials included on the dashboard.
 - March is the first month that the Eagle Mine did not pay the NLMP.
 - March's margin is down-ice storm-we only received two mutual aid bills so far.
- Line of Credit
 - Submitted a draw down from AR8 of \$1,500,000-will pay off line of credit when received.
- New Work Plan
 - Currently working on 10-year forecast.
 - Submitting final 219s after Pat Wheeler's inspection this week.
- Finance Reports
 - Various reports were provided to the Directors via Call to Order.
- Audit
 - In the final stages of wrapping up the audit.

General Manager-Furmanski

Updated power supply costs by Month

- Working with the Landmark Inn and CFC in preparation for the Strategic Planning Session.
- Continue planning for the annual meeting, June 15th at the Island Resort & Casino.
- Continue working with MBLP on possible collaboration at the Pineau Sub.
- Attended Rates & Finance Committee meetings.
- Continue working on rate restructuring.
- Attended a CoBank virtual meeting.
- Attended a NRECA virtual meeting.

- Attended the MECA Symposium.

Executive Session

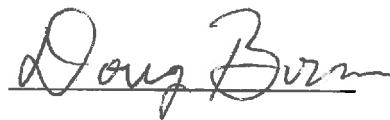
- Topic of discussion-AMI.
- Moved by Director Prestin to enter executive session, support by Director **Bruno. Motion carried.**
- Board entered Executive session at 3:01 p.m.
- Moved by Director Prestin to leave executive session, support by Director Lawless. Motion carried.
- Board exited Executive session at 3:05 p.m.

Adjourn:

- ***Moved by Director Betters to adjourn, support by Director Prestin. Motion carried.***
- Meeting adjourned at 3:06 p.m. EST.



Mike Lawless - President



Doug Bovin-Secretary/Treasurer