

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION

Minutes of the Regular Meeting of the Board of Directors

August 24, 2022

A regular meeting of the Board of Directors of Alger Delta Cooperative Electric Association was held on August 24, 2022.

Call to Order and Roll Call:

The meeting was called to order by President Lawless at 12:56.m. EST.

Directors present: District 1-Darryl Small, District 2-Karen Alholm, District 3-Mike Lawless, District 4-Dave Prestin, District 5-Wery, District 6-Jesse Betters, District 7-Kirk Bruno, District 8-Don Johnson, District 9- Doug Bovin.

Directors absent:

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

Approve the Agenda:

Moved by Director Bovin to approve the agenda with support by Director Wery. Motion carried.

Member Comments: None

Minutes:

Moved by Director Johnson to approve minutes of July 20, 2022 regular meeting as read, support by Director Alholm. Motion carried.

Approve the Administrative Items:

Motion to approve check register in the amount of \$2,009,005.20 for the period of July 1 to July 31 by Director Alholm with support by Director Johnson.

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 Bovin, with support by Director Prestin. Motion carried.

Old Business:

- Safety Update
 - No incidents to report.
 - Safety meeting with MECA in September.
- Aquila Resources
 - Furmanski hasn't heard anything new.
 - Director Bovin stated he would like an update from the other mine bi-annually.
- Aclara

- Things have been good the last couple of months.
- Furmanski has a call with them today at 3 pm.
- 1500 meters should be delivered this fall.
- Office Back-up Generator
 - In progress.
- Annual Meeting Discussion
 - June 28, 2023 is available at the Island Resort & Casino
 - **Moved by Director Alholm to book this date, support by Director Prestin. Motion carried.**

New Business:

- Cloverland Visit Discussion
 - Director Bruno wonders if it would make sense to transfer a handful of customers to them based on location.
 - Cloverland brought up purchasing together.
 - Cloverland talked about ARC, which is a subsidiary. Alger Delta could become a member.
 - Furmanski questioned how Alger Delta makes a decision regarding this, where to get pertinent information.
 - A possibility exists of all three Upper Peninsula Co-ops working together.
 - Cloverland's new CEO is about creating options for the future.
 - Furmanski and Tiernan will meeting with two Cloverland people at the Cooks substation.
- Board Resolution-Restatement-Retirement Plans
 - This needs to be done every five years.
 - **Moved by Director Bovin to pass the resolution for the amendment and restatement of retirements resolution, support by Director Betters. Motion carried.**
- Geothermal Discussion
 - Furmanski looked at several other co-op's programs. All were similar.
 - Furmanski received a suggestion of doing a loan system instead.
 - Furmanski will bring a specific plan to next month's meeting.
- Annual Agenda: Bylaw and policy Review/Set Annual Meeting Date
 - Director Alholm requested just the most current copy of the policy manual be located on the dashboard with the other copies kept historically elsewhere.
 - **Moved by Director Prestin to officially adopt the current organizational chart as stated in Policy 218, moved by Director Bovin. Motion carried.**

Staff Reports:

Operations Manager Report-Tiernan

- Work Plan Projects
 - Continue to work on getting contractors and materials prepared to start construction of the Harvey/Autrain tie line. Hoping to start early Fall.
 - Furmanski is meeting with Mike Heise (Cloverland) on a feed for Garden Corners/Isabella from Cloverland new substation near Cooks.
- Maintenance Items
 - Crews continue to work on new service/upgrades and also pole replacements in the Stonington area.
- Vegetation Crews
 - Vegetation crews continue to work in the Harvey and Grand Marais area.
- Warehouse/Facilities
 - Continue to work on the Pineau yard. Conex Box with materials will be in place August 18th.
- Safety
 - Currently attending RESAP at Thumb Electric Cooperative in Ubly, MI.
- Equipment
 - We are looking at selling truck # 16 (2002 International Flatbed). This truck did not meet the DOT requirements and has some engine issues. Truck #45 has replaced this truck in our fleet. Our underground contractor JMCA has offered us \$15,000 for the truck. (Tiernan believes that is a fair price with the issues he is aware of) He will discuss at the next Board meeting to get the Board's thoughts. The Board is fine with selling truck # 16.

Office Manager Report-Priebe

- Tech/IT
 - Ranger Security/DSTech-New door tag system with keypads in process.
 - NISC/AppSuite App-Updates to Compass tile/Outage tile.
 - Landis & Gyr/Aclara-Currently having issues with meter readings posting to members accounts in CIS. Two companies are working to see why the job manager quits in the middle of the process. Believe it to be due to updates to firewall on a server.
- Outages
 - Total billed meters July: 10,389.
 - Total estimates for July: 9.
 - The Board wonders if the 'over two hours' category in outages can be more specific?
- Social/community
 - Thank you to crew for working through the night.

- Junior Market Livestock Auction posts with photos of animals purchased.
- Expense Report
 - Provided link to expense report.
- Service/Work orders
 - 195 Opened service orders for July.

Finance Report-Labadie

- 2021 Capital Allocation
 - Current members will see on their 9/1 billing.
 - Inactive members will be mailed their notice on 9/12/22.
- 2022 Junior Market Livestock Auction-UP State Fair
 - Alger Delta purchased one steer and one hog at this year's fair.
 - There will be a registration slip in the Sept/Oct issue of Country Lines and the drawing will be held on September 29, 2022.
- CFC-10 Year Forecast
 - Aaron Stallings-7/26-we started working on the 10 year forecast.
- 2021 Financials
 - Net margins=\$1,172,002. Two things make up this number, forgiveness of the PPP loan (\$373,600) and adjust entry per auditors of \$744,294.47.
- June Financials
 - Margin for June is (295,486.00). July power costs=\$982,408.95.
 - Review 2022 Proforma Income Statement Jan-June actual 3s and July-Dec budgeted numbers with adjustments.
 - PCA-3 month rolling average.
- Retirement
 - Next year up-1993-\$527,930.61. At this time Labadie would not recommend doing any retirement until we see the power costs stabilize.

General Manager-Furmanski

Power supply is currently high.

- Attended the Michigan Energy Provider's Conference.
- Continue working with MBLP on possible collaboration at the Pineau Sub and the Big Bay Sub.
- Working on gathering information on geothermal heating systems for possible Energy Optimization program.
- Attended the ATC Annual Shareholder Meeting
- Attended a Grid Resilience Funding Webinar

Executive Session

- Topic of discussion-

- ***Moved by Director Bruno to move into executive session, support by Director Prestin.***
- Board entered Executive session at 2:44 p.m.
- ***Moved by Director Bovin to leave executive session, support by Director Bruno. Motion carried.***
- Board exited Executive session at 3:05 p.m.
- ***Moved by Director Alholm to approve the GMs personnel recommendation, support by Director Wery. Motion carried.***

Adjourn:

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



Mike Lawless - President



Doug Bovin-Secretary/Treasurer