

ALGER DELTA COOPERATIVE ELECTRIC ASSOCIATION

Minutes of the Regular Meeting of the Board of Directors

September 21, 2022

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

Call to Order and Roll Call:

The meeting was called to order by President Lawless at 12:55 p.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, (Operations Manager) Troy Tiernan, and (Office Manager) Shannon Priebe.

Approve the Agenda:

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

Member Comments: None

Minutes:

Moved by Director Alholm to approve minutes of August 24, 2022 regular meeting with the addition of the check register time frame July 1-31, 2022 and change flow chart to organizational chart, support by Director Bruno. Motion carried.

Approve the Administrative Items:

Motion to approve check register in the amount of \$1,775,803.15 by Director Betters with support by Director Bruno.

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 Johnson. Motion carried.

Old Business:

- Safety Update
 - Steve Knudsen from Federated Insurance came for the annual audit last week.
 - Overall was very happy, only a few minor things to be put at the Pineau Sub.
 - Copy of his letter was provided to the Board.

- Gold Resources
 - Furmanski hasn't heard anything new.
- Aclara Update
 - Things have been working for the most part.
 - Lost two meters last night.
 - Grand Marais and Autrain are next up for installation.
 - Discussion was held on notifications to address this.
 - It has been put on Facebook.
 - Furmanski said they will come up with a recommendation.
- Office Back-up Generator
 - Transfer switch on the 30th.
 - Generator will hopefully be here soon.
- Annual Meeting Discussion
 - Island Resort & Casino couldn't confirm June 28, 2023.
 - They will let us know as soon as they can.

New Business:

- Resolution to approve the Pineau-AuTrain Tie Labor Contract
 - ***Moved by Director Alholm to approve the resolution to approve the Pineau-AuTrain Tie Labor Contract, support by Director Johnson. Motion carried.***
- Pineau-Autrain Tie Acceptance
 - Bids received were provided for Board information.
 - Board received letter of recommendation from Pat Wheeler.
 - ***Moved by Director Prestin to accept the proposal of MJ Electric, support by Director Alholm. Motion carried.***
- Retirement of Capital Credits Discussion
 - 1993 is up next.
 - Total is just over half a million.
 - Labadie recommends not doing it at this time.
 - ***Moved by Director Better to not retire 1993 capital credits this year, support by Director Johnson. Motion carried.***
- Geothermal Discussion
 - Furmanski provided a proposal.
 - The payback timeframe was questioned.
 - ***Moved by Director Bruno to approve the geothermal rebate proposal, support by Director Johnson. Motion carried.***
 - A solar rebate was discussed due to the new rate restructuring.
 - Furmanski will put something together for next month's meeting.
- Renewable Energy Rider
 - ***Moved by Director Bovin to approve the corrected rate for more than 20 blocks, support by Director Better.***
- Annual Agenda: Budget, Capital Credits, Strategic Plan, Manager's Evaluation
 - Nothing on the Budget yet.

- Capital credits were discussed previously
- Staff meeting to happen as a result of strategic plan.

Staff Reports:

Operations Manager Report-Tiernan

- Work Plan Projects
 - MJ Electric was low bid for the Deerton/Autrain tie line for both OH & URD.
 - Working on getting a bid list for River Rd project in Stephenson.
- Maintenance Items
 - Crews continue to work on new service/upgrades and also pole replacements in the Stonington area.
- Vegetation Crews
 - Vegetation crews have completed work in the Harvey and will be focusing on Grand Marais to complete the year.
 - We also have a tree ticket crew working throughout our service area addressing "danger trees".
- Warehouse/Facilities
 - The conex box with materials is in place at the Pineau sub and has been a welcome asset for the crews.
- Safety
 - Met with Steve Knudsen from Federated Insurance to do annual audit on September 13th.
 - He was very happy with everything inspected and reviewed.
- Equipment
 - Working with Utility Sales & Service on a digger derrick spec.
 - Hoping to order soon, with a 2024 delivery date.

Office Manager Report-Priebe

- Tech/IT
 - Ranger Security/DSTech-New door tag system with keypads in process.
 - Hiawatha/Chocolay substation security cameras ordered.
 - NCIS/GIS server space 92% full, ordered external back-up to migrate files to.
 - ACLARA server space 92% full, cleaned old files/readings.
 - Communication issues restored/Landis&GYR/Aclara-issues with meter readings posting to member accounts.
- Outages
 - Total billed meters August: 10,413.
 - Total estimates for August: 14.
 - Billables/member caused outages: 5
- Social/community

- Sponsorship of folding travel blanket to each junior market livestock exhibitor.
- Thank you to crews working through the night.
- Expense Report
 - Provided link to expense report.
- Service/Work orders
 - 276 Opened service orders for August.

Finance Report-Labadie

- RUS Rep
 - Met with our RUS Rep, Robyn Jensen on 9/7/22.
- September/October Country Lines
 - Community impact photo picture was of Alger Delta Staff.
 - Meat bundle entry form for drawing on 9/29/22. 19 Bundles.
- WECA Workshop-9/20/22
 - From Financials to Ratemaking a half day webinar.
- PCA-3 month rolling average
 - 9/1 billing cycle PCA=.0156.
 - 10/1 billing cycle PCA=.0238.
- July Financials
 - Margin for July is (70,390.07) slightly higher than budget.
 - August power costs=\$956,078.10.
 - Updated 2022 proforma income statement-Jan-July actuals and Aug-Dec budgeted numbers with adjustments.
 - Currently the proforma shows a margin of \$182,602.33.
- Line of Credit
 - Took a draw down to pay property taxes on 9/6/22.
- Retirement
 - Next year up-1993-\$527,930.61, but does not recommend doing any retirement until the power costs stabilize.

General Manager-Furmanski

Power supply made a slight dip.

- Met with Cloverland guys regarding their Garden Corners substation.
- Attended a MECA meeting.
- Working on gathering information on geothermal heating systems for possible Energy Optimization program.
- Attended the WPPI Annual Meeting. (Directors Bovin, Johnson & Bruno also attended)
- Attended a Grid Resilience Funding Webinar.
- Attended a MECA webinar regarding the Employee Retention Credit.
- Had a journeyman lineman leave, already found a replacement.

Committee Reports & Agendas

- Finance Committee will meet October 5th at 10:00 a.m. EST.

Executive Session

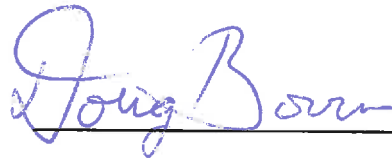
- Topic of discussion-wholesale power issues
- ***Moved by Director Alholm to move into executive session, support by Director Wery.***
- Board entered Executive session at 2:47 p.m.
- ***Moved by Director Wery to leave executive session, support by Director Small. Motion carried.***
- Board exited Executive session at 3:27 p.m.

Adjourn:

- ***Moved by Director Bovin to adjourn, support by Director Johnson. Motion carried.***
- Meeting adjourned at 3:28 p.m. EST.



Mike Lawless - President



Doug Bovin-Secretary/Treasurer