

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

September 15, 2021

A regular meeting of the Board of Directors of Alger Delta Cooperative Electric Association was held on September 15, 2021.

Call to Order and Roll Call:

The meeting was called to order by President Lawless at 1:02 p.m. EST.

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

Directors absent: District 6-Jesse Betters

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

Approve the Agenda:

Moved by Director Prestin to approve the agenda with the addition of donation discussion under old business, support by Director Johnson. Motion carried.

Approve the Minutes:

Motion to approve the Minutes of the August 11, 2021 regular meeting, by Director Prestin, support by Director Small. Motion carried.

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 Alholm. Motion carried.

Member Comment:

- None

Old Business:

- Safety Update
 - Discussed prohibition of social media while on duty with employees.
 - August safety training was cancelled due to rising Covid numbers.
- Aquila Resources
 - News release stated that Aquila Resources being bought.
 - Alger Delta filed comments on Friday.
- Aclara Update
 - What we have seems to be working.

- Losing maybe one meter per week.
- Further deployment date keeps getting moved.
- Waiting on chips to build DCU's.
- NRECA Training
 - October 27, 2021 seemed to be the best date.
 - Will be held at the Delta Chamber of Commerce.
 - Strategic planning will be the focus.
- CFC Training
 - Will be held on October 19th, 2021 from 10 a.m.-4 p.m. EST.
 - Will be held at the Delta Chamber of Commerce.
- District 5 Vacancy
 - Letters have been out about a month.
 - Applications are due October 12, 2021.
- Donation Discussion
 - CoBank has a match program of up to a total of \$10,000 to be used over up to four requests.
 - ***Moved by Director Prestin to increase General Manager's ability to make a donation to \$2500 to better utilize the CoBank match, support by Director Bruno. Motion carried.***

New Business:

- Rates Discussion
 - Past minutes in the magazine informed members rates were up for discussion.
 - No comments have come in to the office, but directors have received a couple.
 - Expecting the loss of a large commercial customer in 2025.
 - Bylaws state Alger Delta is not allowed to do cross subsidization.
 - Usage and wholesale costs are on an increasing trend.
 - Retail rates have not changed in 11 years.
 - Fixed and variable costs vs revenue are disproportionate.
- Load Forecast
 - Utility Systems Engineering provided a draft Load Forecast for Alger Delta.
 - Complete version will be available for approval at the October meeting.
 - Pat Wheeler will review it with the board at that meeting.
- Annual Agenda Items
 - Furmanski had questions about items on the Annual Agenda.
 - Reviewed the budget process.
 - Capital Credit process can be moved to wherever on the agenda it makes the most sense to him.
 - Manager's Evaluation
 - Job description and orientation checklist can be used for goals.

- ***Moved by Director Johnson to have the Executive Committee come up with recommendations on how to handle evaluations by the next board meeting, support by Director Prestin. Motion carried.***
 - Strategic plan training in October.

Staff Reports:

Operations Manager Report-Tiernan

- **Work Plan Projects**
 - September 28th outage is being planned to transfer load to the new Pineau Substation.
 - Squaw Beach rebuild will begin when MJ Electric returns from storm work-late September or early October.
 - Met with Pat Wheeler and Robyn Jenson (RUS) to discuss next workplan.
- **Maintenance Items**
 - Crews continue work on service upgrades/new services & maintenance.
 - Construct crew has begun replacing reject poles in Seney/Grand Marais area.
- **Vegetation Crews**
 - Tree crews have completed the Autrain circuit and moved to the Harvey/Deerton area.
 - Our aggressive tree budget has been paying off during recent storms/winds.
- **Warehouse/Facilities**
 - Exterior doors have been replaced.
 - Garage door seals are next on the priority list.
- **Safety/Training**
 - In person safety meetings have been postponed due to rising Covid cases.
- **Equipment**
 - Getting a quote for a new bucket truck in the 2022 budget.

Office Manager Report-Priebe

- **Livestock Auction**
 - Purchased two hogs and two steers at the Lori Branstrom Livestock Auction on August 21st at the UP State Fair.
 - Meat bundle raffle entry form was featured in the September Country Lines magazine.
 - Drawing will be held on September 30th.
- **Outages**
 - 84 members were without power during our last meeting and zero the rest of the night.

- Believes the aggressive vegetation management has had a significant impact on our major events/outages.
- Total outages for August were 242.
- Two were billable.
- Received very positive feedback from a customer following an outage.
- Social/community
 - Seeking a new board member.
- District 5-Gourley, Labranche, Cornell
 - Letters were mailed.
- Billing
 - Total estimated meters for August billing-12.
 - Aclara meters-10.
 - Total estimated meters for July billing-19.
 - Aclara meters-6
- Service/Work Orders
 - Transfer of accounts continue to rise.
 - Upgrade and new service applications have been coming in steady.
 - Continued GIS updates.

Finance Report-Labadie

- Form 990
 - Completed Eide Bailly's PBC list.
 - Eide Bailly will have a presentation at the October meeting.
- August 2021 Financials
 - Upon completion Lynn will upload to Call to Order and send an email stating they are available.
- 2020 Capital Credit Retirement of 1992
 - Currently in the process of testing.
 - Active customers will see a credit on their October bills.
 - Notices to inactive customers will be sent via NISC on 10/13/21.
 - List of members with unclaimed capital credits will be submitted to Country Lines for the Nov/Dec issue.
- CoBank
 - Met with Brent Behn on 8/26/21.
 - Renewal of line of credit-\$3M.
 - Received a match for the UP State Fair sponsorship from CoBank in the amount of \$1000.
- Current financials were reported to the board, including TIER, OTIER, and equity ratio, and audit update.
- Attended MECA Zoom meeting "Compliance Considerations for Anti-Money Laundering Programs & Processes".

General Manager-Furmanski

- Submitted a LIRF to ATC regarding the Stonington Substation and had a preliminary call.
- Met with CoBank rep regarding lending and leasing options.
- Had a follow up call with CoBank for more details.
- Continue working on CWP.
- Attended ATC Shareholder Day.
- Met with Brett Niemi and members in Grand Marais considering solar.
- Going to Cloverland to check out how they do things.
- MECA tech meeting coming in October.

Committee Reports & Agendas

- Rates and Finance
 - Reviewed communication effort needed.
 - Went over General Manager's presentation.
 - Received a preliminary rate report back from WPPI.
 - Will see if they can find someone with expertise to advise.
 - For a fee there is a company that can do a cost study.
- Policy
 - On agenda for next month's meeting.
 - Review drafts and send any spelling, grammar, etc errors to Donna

Executive Session

- ***Moved by Director Prestin to enter Executive session, support by Director Alholm. Motion carried.***
- Entered Executive Session at 3:05 p.m. EST.
- Topic to be discussed the handling of draft minutes.
- ***Moved by Director Johnson to leave executive session, support by Director Alholm. Motion carried.***
- Board left Executive Session at 4:20 p.m. EST.

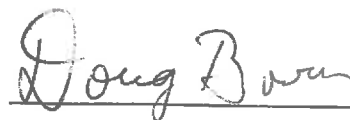
Adjourn:

- ***Moved by Director Lawless to adjourn, support by Director Prestin. Motion carried.***

The meeting adjourned at 4:21 p.m. EST.



Mike Lawless - President



Doug Bovin-Secretary/Treasurer