

REGULAR MEETING OF THE
BOARD OF DIRECTORS
October 19, 2016

The regular meeting of the Board of Directors of Alger Delta Cooperative Electric Association was held on October 19, 2016 at the Terrace Bay Inn, Gladstone, MI. The meeting was called to order at 1:11 p.m. by Board President Dave Anthony.

Directors Present: D-1 Darryl Small, D-2 Karen Alholm, D-3 Mike Lawless, D-4 Dave Prestin, D-5 Dave Anthony, D-6 Paul Sederquist, D-7 Sue Alexander, D-8 Ray Young, D-9 Doug Bovin. Others in attendance were CEO Tom Harrell, CFO Amada Seger, Operations Manager Troy Tiernan, Engineer Tech Jeff Diebolt, Administrative Assistant Margo Gobert-Vargo and WPPI CEO Mike Peters.

Directors Absent: None

Approve the Agenda: Motion to approve the agenda made by Director Prestin and seconded by Director Young – Motion carried.

Approve the Minutes of September 21, 2016: Motion to approve the minutes made by Director Sederquist and seconded by Director Bovin – Motion carried.

WPPI CEO Mike Peters:

Presentation from Mike Peters about the Diversity of Contract Term with WPPI Resources, the Average Power Cost, WPPI's Budget, WPPI Energy and Capacity Position, WPPI Fuel Mix and Historical Load. There will be no rate increase for Alger Delta Cooperative from WPPI.

Consent Items for Approval:

Approve Membership Applications: Approve Check Register: Approve Director Expenses: Approve CEO Expenses: Motion to approve all items made by Director Anthony and seconded by Director Young – Motion carried.

Engineer Technician Report:

Diebolt reported the tree cutting is focusing on the White Rapids area and that will be starting in January.

He and Seger are working on buttoning up renovations to the front office however, there is some concern regarding a wall that leaks in Diebolt's office because of his computer equipment being expensive this needs to be addressed.

There is a mapping system that will be going into place and Alger Delta has been in talks with Karz pole inspection group regarding this.

Operations Manager Report:

Tiernan reported that crews have been fighting the wind and storms since Saturday, October 15th and he had to take crews off the Round Lake project to help with these outages. When there is no outages the crews are working on routine maintenance.

CFO Report:

Seeger reported we are under a 2.3 TIER for August. The office has been very busy for September with material, capital credits rewrites and outages. Seeger and Shannon Priebe are working on standard cost since this has not been done since 2014.

CEO Report:

Harrell reported that we still have job openings for the Line Design Technician and the Lead Lineworker/Meter Technician.

Wolverine Power is doing a feasibility study to see if we are a candidate for Broadband. This study is done at no cost to Alger Delta Cooperative.

Tiernan was recognized at the MECA meeting this past month for being involved with the Apprentice Committee.

Director training will be in February 2017 in Michigan. Directors can attend this to obtain their CCD credentials and it would cost the Cooperative almost three-quarters what it would if they went to the NRECA meeting anywhere else.

On Friday October 21st, there will be a meeting with Aquila Mine to discuss their company coming onto our system. This is going to be CLP with a possible 88,000 demand.

It has been since 2013 when Alger Delta's Strategic Plan was last done. A date of February 14th and 15th is tentatively set with Henry Kano who was the person that did this the last time.

After the first of the year, rate classes need to be tackled and the marketing and communication plans need to be looked at as this plays a part in the District Meetings.

Lastly, Huron Mountain Club wants a maintenance agreement with Alger Delta Cooperative they will own the system we will maintain it.

Old Business:

Any changes to District Meetings will have to start with changing the Bylaws. The change in the ballot system and no meals or prizes offered is when attendance started to decline. An article in Country Lines will be in the November/December issue to get feedback from members regarding the importance of these meetings. Director Alholm would like this addressed again in December and at that time a decision will be made whether to continue these meetings or not.

New Business:

The Finance & Rates Committee met before the Board Meeting to go over the budget. Budget presented at the Board Meeting. Motion to approve the budget made by Director Prestin and seconded by Director Alholm – Motion carried.

Succession planning for those Directors who may not be able to fulfill their term. This is not a bylaw or a policy it is good practice. The bylaws have 2 options for replacing a Director, one is to appoint a member to this position or to hold an election.

Credentialed Cooperative Director Certificate Training is set for February 2017 in Traverse City, MI.

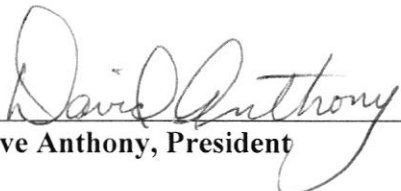
Director Anthony addressed the CEO evaluation. The board will use Kirk Bruno who did the evaluation last year. Motion to accept Kirk Bruno for the CEO Evaluation made by Director Young and seconded by Director Prestin – Motion Carried.

Meetings/Conferences/Training:

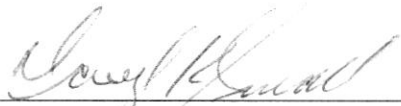
October 4 – 5; MECA Board Meeting attended by Harrell and Small.

Executive Session: N/A

President Anthony adjourned the meeting at 3:18 P.M.



Dave Anthony, President



Darryl Small Secretary/Treasurer