

REGULAR MEETING OF THE  
BOARD OF DIRECTORS  
March 15, 2017

The regular meeting of the Board of Directors of Alger Delta Cooperative Electric Association was held on March 15, 2017 at the Magnuson Grand Pioneer Inn and Suites, 2635 Ludington St. Escanaba, MI. The meeting was called to order at 1:00 p.m. by Board Vice-President Paul Sederquist.

**Directors Present:** D-1 Darryl Small, D-2 Karen Alholm, D-3 Mike Lawless, D-4 Dave Prestin, D-5 Dave Anthony (via telephone), D-6 Paul Sederquist, D-7 Sue Alexander (via telephone), D-8 Ray Young, D-9 Doug Bovin. Others in attendance CEO Tom Harrell, Engineer Tech Jeff Diebolt, Administrative Assistant Margo Gobert-Vargo.

**Directors Absent:** None

**Approve the Agenda:** Motion to approve the agenda made by Director Bovin and seconded by Director Small – Motion carried.

**Approve the Minutes of February 15, 2017:** Motion to approve the updated minutes that were provided to the Directors at the Board Meeting made by Director Alholm and seconded by Director Alexander – Motion carried.

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

**Engineer Technician Report:** Diebolt reported that the Carney rebuild is going great.

Sectionalizing and tree clearing between Rock and Stonington has helped cut down on the outages.

Bugle Contracting was very helpful during last week's storm in removing downed trees and trees on the lines.

MapWise conversion is currently set for the week of August 12, 2017.

**Operations Manager Report:** Diebolt spoke on behalf of Tiernan who was not present due to Block Training.

The Harvey/Deerton rebuild will start in May and will go from the McDonald's in Harvey to the KBIC Casino. This is for the Casino upgrade.

Trucks have been delivered and the bobcat has proven to be very useful.

Working on sectionalizing in the Rock to Stonington area.

Harrell added Tiernan and the lineman are doing Block Training for MECA which involves CPR and First Aid training.

**CFO Report:** Harrell spoke on behalf of Seger who was not present due to the audit.

The TIER for January is 3.548 with an operating TIER of 3.247. We start the year with a high TIER due to high KWH sales in January due to the weather and lower cost of purchase power due to the peak being early and the demand staying consistent throughout the month.

Seger requested an amendment to the budget for line 11 and line 27.

Motion to amend the 2017 budget as shown in Draft 2017 Budget Revision 2 – Motion made by Director Lawless and seconded by Director Bovin – Motion carried.

**CEO Report:** Harrell reported that John Dault is the new Meter Technician and began on March 6.

Nothing new to report about Rural Broadband until the upcoming Power Symposium in April.

The Aquila project is still pursuing permits and UMERC is making a pitch to them to supply the load. UMERC will meet with the Lake Township board in May.

A short term arrangement has been worked out for capacity and energy without any Contribution to Aid of Construction to MBLP.

The ACRE campaign yielded 5 out of possible 13 participants.

**Old Business:** Director Young spoke on the revisions to Policy 218.

Motion to accept the redline version of Policy 218 and remove “and final ratification” from section 3 of the policy made by Director Young and seconded by Director Lawless. Roll call was taken and the motion was defeated 3 to 6.

Motion to accept the redline version only of the Policy 218 was made by Director Prestin and seconded by Director Bovin. Roll call was taken and the motion was passed 8 to 1.

Harrell supplied the Board with a redline version of the CEO Compensation Resolution. Motion to accept the CEO Compensation Resolution was made by Director Prestin and seconded by Director Lawless. Roll call was taken and the motion passed 8 to 1.

Motion to approve the Official District Meeting Notice made by Director Alholm and seconded by Director Prestin – Motion carried.

**New Business:** Harrell spoke regarding the Eagle Mine Curtailable Load Agreement. This agreement is between WPPI and Eagle Mine and it will not cost us anything.

With the Eagle Mine Curtailable Load Agreement there will be a New Load Market Pricing Rate Schedule. A representative from WPPI will come to Alger Delta and speak, in detail, regarding the rate issue.

Strategic Planning is coming up in April and the final agenda will be sent out shortly to all the Directors.

The Board recommended Harrell to be on the committee for the UVA Task Force. Motion to allow Harrell to be on the UVA Task Force Committee made by Director Alholm and seconded by Director Prestin – Motion passed 8 to 1.

Director Alexander spoke on the UP Honor Flight and having a representative from Alger Delta Cooperative attend this spring. Alger Delta received one application from an employee to attend this event. The flight is scheduled for May 17<sup>th</sup> and a \$500 donation will be made on behalf of Alger Delta and their members.

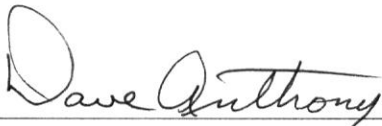
SegeLabs submitted a proposal for writing the software to install the new security system. Motion to waive conflict of interest due to SegeLabs being the only bidder and to approve the proposal submitted for \$2,000 made by Director Alholm and seconded by Director Prestin – Motion passed 8 to 1.

Harrell spoke on the NRECA Director Election.

**Meeting/Conference/Training:** Harrell spoke regarding Sege and himself attending the Tech Advantage and NRECA Annual Meeting in San Diego, CA.

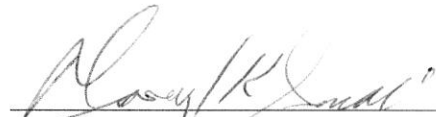
**Executive Session:** None

Motion to adjourn at 3:16 p.m. made by Director Alholm and seconded by Director Prestin – Motion carried.



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**Dave Anthony, President**



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**Darryl K. Small, Secretary/Treasurer**