

CLOVERLAND ELECTRIC COOPERATIVE
MINUTES OF THE REGULAR BOARD MEETING OF
THE BOARD OF DIRECTORS
FRIDAY, OCTOBER 20, 2017
SAULT STE MARIE, MI

Call to Order

A Regular session of the board of directors of Cloverland Electric Cooperative was held on Friday, October 20, 2017 at 9:30a.m., 725 East Portage in Sault Ste. Marie, Michigan.

Chairperson Monroe called the meeting to order and lead the board in the Pledge of Allegiance.

The board recited the Mission Statement.

Roll Call

Roll Call was taken and the following were present: Chairperson Monroe, Vice Chairperson Ron Provo, Secretary/Treasurer Charlie Litzner, Directors Newland, Sawruk, Bonacci, St. Onge, Legault, and LaLonde. President and CEO Dan Dasho and Cooperative Attorney Chuck Palmer were also present.

Review and Approval of Minutes

A motion was made by Director St. Onge, supported by Director Bonacci to accept the minutes of the September board meeting. All directors voted in favor and the motion passed.

Board Concerns

The board discussed member and board member concerns.

President and CEO Report

President and CEO Dasho presented his report to the board of directors.

President Dasho discussed the recent FERC decision and the details surrounding the decision. We will be putting out a press release and will update the members as soon as a dollar amount is given.

President Dasho discussed the board member qualifications from the by-laws. The board discussed adding a director qualification regarding persons with a felony conviction and those who have a registered sex offender conviction. The discussion from Director Bonacci became loud and aggressive and Director Bonacci left the room, violently slamming the board room door. After Director Bonacci rejoined the meeting, Director St. Onge asked that the board take a break. Once back in session, the Chairperson asked for a motion.

A motion was made by Director Newland, supported by Director Legault to present to the members of Cloverland, an additional director qualification that a registered and/or convicted sex offender not be eligible to run for the board of directors. A roll call vote was taken: Bonacci-No, St. Onge-yes, Legault-yes, Provo-yes, LaLonde-yes, Litzner-yes, Newland-yes, Sawruk-yes, Monroe-yes. After hearing the roll call vote, Director Bonacci amended his vote to 'yes'. With the amended vote, all directors voted in favor and the motion passed.

Director Bonacci apologized for his behavior during the director qualification discussion.

President Dasho discussed the Employee healthcare, updates surrounding LSSU and the West Annex, Heritage Wind Farm, NRECA and MPSC. The next regular meeting date will be November 13, 2017.

A motion was made by Director Sawruk, supported by Director Bonacci to enter into Executive Session.

A motion was made by Director Sawruk, supported by Director Bonacci to enter into Regular Session.

Finance, Power Marketing and PSCR

CFO Robert Malaski entered the board meeting to discuss the financials.

A motion was made by Vice chairperson Provo, supported by Director Newland to approve the write off amount of \$102,160.70. All directors voted in favor and the motion passed.

A motion was made by Director Newland, supported by Secretary/Treasurer Litzner to approve the Estate Retirements in the amount of \$7036.38. All directors voted in favor and the motion passed.

CFO Malaski reviewed the capital credit process including history and comparisons.

A motion was made by Secretary/Treasurer Litzner, supported by Director Newland to retire the 1993 capital credits. A roll call vote was taken; Litzner-yes, Newland-yes, Sawruk-no, Bonacci-no, St. Onge-no, Legault-yes, Provo-no, LaLonde-no, Monroe-no. The motion failed.

A motion was made by Vice Chairperson Provo, supported by Director Bonacci to not retire capital credits. A roll call vote was taken; Litzner-no, Newland-no, Sawruk-yes, Bonacci-yes, St. Onge-yes, Legault-yes, Provo-yes, LaLonde-yes, Monroe-yes. The motion passed.

A motion was made by Secretary/Treasurer Litzner, supported by Director Sawruk to approve the sale of Lighthouse.net at the amount of \$616,000.00. All directors voted in favor and the motion passed.

Construction Work Plan

Director of Engineering Brian Lavey and Director of Generation Phil Schmitgal entered the meeting to discuss the proposed 2018-2021 Construction Work Plan as previously presented to the board of directors. CFO Malaski discussed the financials surrounding the work plan. As of the next meeting, all directors are to have suggestions and procedures set to make a decision on the upcoming work plan.

Consent Agendas

The board discussed the consent agendas which were previously distributed to the board of directors.

All directors, with exception of Director LaLonde, turned in an evaluation for the President and CEO.

Attorney's Report

Cooperative Attorney Chuck Palmer presented his report to the board of directors.

Old Business

There was no old business.

New Business

There was no new business.

Next Regular Meeting of the Board

The next Regular meeting of the board will be on Monday, November 13, 2017.

Vision Statement

The board then recited the vision statement.

Adjournment

A motion was made by Director Bonacci, supported by Director LaLonde to adjourn the meeting. All directors voted in favor and the motion passed.

By: 
Secretary/Treasurer Charles Litzner