

CLOVERLAND ELECTRIC COOPERATIVE
REGULAR MEETING OF THE BOARD OF DIRECTORS
SAULT STE MARIE, MI | ADMINISTRATION BUILDING
MARCH 27, 2018

Call to Order

A regular session of the board of directors of Cloverland Electric Cooperative was held on Tuesday, March 27, at 9:30am, at Cloverland Administration building, Sault Ste. Marie, Michigan.

Chairperson Monroe called the meeting to order and led 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 Charles Litzner, Directors Newland, Lagault, LaLonde, Bonacci, St. Onge, and Sawruk. President and CEO Dan Dasho was also present. Cooperative Attorney Chuck Palmer was in attendance the first half of the meeting. Director Litzner entered the meeting after the approval of the minutes had taken place, during board concerns.

Agenda

A representative from LSSU will be presenting to the board at 10:00am. Attorney Chuck Palmer will give his report immediately following lunch. Director Provo questioned the process of accepting the Estate Retirements from both February and March.

A motion was made by Director Provo, supported by Director Newland to approve of the agenda with the modifications. All directors voted in favor and the motion passed unanimously.

Review and Approval of Minutes

Director Provo requested a correction to the review and approval of minutes section regarding Director Sawruk's language change in Director Provo's motion, declaring that the motion "died." The correction will state that it was Director Litzner's motion, not Director Provo's.

Director Sawruk asked that a section be added in the discussion of the Detour diesels regarding his question to CEO Dasho of the current status of the overhauls, and the budgeted amount of \$750,000. The amount spent so far is 1.3 million dollars, CEO Dasho explained the costs involved and he expects one diesel to be running by the end of March.

A motion was made by Director Sawruk, supported by Director LaLonde to approve the minutes as amended. All directors voted in favor and the motion passed unanimously.

Public Comment

Rod Nelson, Chair of the LSSU Board of Trustees, thanked Cloverland for their gift and continued support.

Board Concerns

There was a discussion regarding the House of Bargains building. The board also discussed a member's special request regarding the canal. There was a discussion regarding a member's concern about the facility charge. There was a continued discussion regarding the Detour diesels. The board also discussed the process of follow-up to students who have received one of Cloverland's scholarships.

Executive Session

A motion was made by Director Provo, supported by Director Newland to enter into executive session. All directors voted in favor and the motion passed unanimously.

The board returned to regular session.

Attorney's Report

Chuck Palmer handed out the most recent version of policy 108, part B to the board of directors.

A motion was made by Director Litzner, supported by Director Provo to approve Policy 108, part B as presented to the board. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

Attorney Palmer discussed some of the details surrounding Heritage and the use of utility poles. Mr. Palmer updated the board on discussions with LSSU with the east/west end annex, and completed a lease with the Great Lakes Pilot Association. Mr. Palmer was involved in some of the new hire processes, as well as a motor vehicle accident. There was a question and discussion regarding Mr. Palmer acting as both the St. Ignace attorney and Cloverland.

President and CEO Report

President Dasho presented a Resolution regarding the purchase of the west end annex.

A motion was made by Director St. Onge, supported by Director Litzner to accept the Resolution in support of the purchase of the west annex. All directors voted in favor and the motion passed unanimously.

President and CEO Dasho discussed the 2018 Annual Meeting and the Electric Cooperative Governance Task Force document. CEO Dasho requests that the board review the policy issues under open meetings. NRECA is taking an aggressive stance in informing all employees on how to stay safe in the field and avoid complacency when on the job.

Director St. Onge made a request that senior staff attend 1-2 board meetings a year to voice their opinions and establish a relationship with the board members. Director St. Onge also discussed having 2 special meetings a year to discuss certain specific special topics in order to limit discussion times during regular meetings of the board. Director Sawruk discussed the possibility of having special committees with key staff members.

Finances, PSCR and Power Supply

Assistant Comptroller, Dianne Hemming, presented the previous 3-month financials to the board of directors including the December year end results, and the January and February 2018 financials. Ms. Hemming also reviewed the PSCR and the Check Register.

A motion was made by Director Sawruk, supported by Director Litzner to approve the Estate Retirements for both January and February in the amount of \$4,530.56. All directors voted in favor and the motion passed unanimously.

Ron Harris joined the board meeting via video conference to discuss the 2017 Cloverland Audit Report. He reported that Cloverland did very well.

Consent Agendas

President Dasho reviewed the consent agendas as previously presented to the board of directors.

A motion was made by Director Sawruk, supported by Director Bonacci to postpone the strategic planning meeting from April to the fall; October, November, or December due to the arrival of a new CFO and possibility of new board members after the upcoming elections. Director Litzner asked if both the new and retiring CFOs would be in attendance, President Dasho confirmed they would be. A roll call vote was taken; Provo-no, LaLonde-yes, Litzner-no, Newland-no, Sawruk-yes, Bonacci-yes, St. Onge-yes, Legault-no, Monroe-no. The motion failed.

Todd Chapman entered the board meeting to make a presentation of Operation Roundup and to discuss donation action items.

A motion was made by Director Bonacci, supported by Director Provo to donate \$1,500.00 to the Mackinac Island Rescue boat. All directors voted in favor and the motion passed.

A motion was made by Director St. Onge, supported by Director LaLonde to table this donation request from the EUP Community Dispute Center until further information can be collected. All directors voted in favor and the motion passed.

A motion was made by Director St. Onge, supported by Director LaLonde to donate \$1,000.00 towards the Manistique Folkfest. All directors voted in favor and the motion passed.

The board discussed a member's request regarding Board Policies. It was decided that the response to this request be drafted as such: the board policies are not currently mailed to members, but for those policies which affect members, we will work on publishing those policies online. This will be a work in progress as time allows.

A motion was made by Director Sawruk, supported by Director Litzner to hold the Annual Meeting of the Members at Lake Superior State University. A roll call vote was taken; LaLonde- no, Litzner-yes, Newland-no, Sawruk-yes, Bonacci-yes, St. Onge-no, Legault-no, Provo-no, Monroe-no. The motion failed.

The Annual Meeting of the Members will continue to be held at the Dafter Township Hall on Thursday, June 7, 2018.

A motion was made by Director St. Onge, supported by Director Legault to accept the consent agendas as presented. All directors voted in favor and the motion passed.

Chairperson of the Board's report

Chairperson Monroe distributed handouts regarding health and fitness to the board members.

Old business

President Dasho discussed the Line 5 information which was included in his report.

New business

A motion was made by Director Sawruk, supported by Director Bonacci that CEO Dan Dasho's employment contract be revised as follows: Pg 2, Item 4 Term; "This agreement shall leave a rolling 2-month term beginning on the stated effective date, and automatically extending on the first day of each month thereafter." A discussion was held whereupon Director Litzner made an amendment to this motion, to seek an attorney's opinion; "a legal opinion will be received before acting upon this motion." A roll call vote was taken; Litzner-no, Newland-no, Sawruk-yes, Bonacci-yes, St. Onge-yes, Legault-no, Provo-no, LaLonde-yes, Monroe-no. The motion failed.

A motion was made by Director St. Onge, supported by Director Bonacci to send CEO Dasho's contract to Erin Evashevski for an outside legal counsel for interpretation on reducing the rollover to two (2) months. A roll call vote was taken; Newland-no, Sawruk-yes, Bonacci-yes, St. Onge-yes, Legault-no, Provo-no, LaLonde-yes, Litzner-no, Monroe-no. The motion failed.

A motion was made by Director St. Onge, supported by Director Bonacci that all employees disclose financial contributions made to the campaigns of director candidates. A roll call vote was taken; Litzner-no, Newland-no, Sawruk-yes, Bonacci-yes, St. Onge-yes, Legault-no, Provo-no, LaLonde-yes, Monroe-no. The motion failed.

Next Regular Meeting of the Board

The next regular meeting of the board will be on Tuesday, April 24 in St. Ignace, MI.

Vision Statement

The board recited the Vision Statement.

Adjournment

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


Secretary/Treasurer Charles Litzner