

CLOVERLAND ELECTRIC COOPERATIVE
REGULAR MEETING OF THE BOARD OF DIRECTORS
ST IGNACE, MI | THE VILLAGE INN
APRIL 24, 2018

Call to Order

A regular session of the board of directors of Cloverland Electric Cooperative was held on Tuesday, April 24, at 9:30am, at The Village Inn, St. Ignace, 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

The following directors were present: Chairperson Monroe, Vice Chairperson Ron Provo, Secretary/ Treasurer Charles Litzner, Directors Newland, Legault, LaLonde, Bonacci, St. Onge, and Sawruk. President and CEO Dan Dasho and Attorney Chuck Palmer were also present. Director of Communication Todd Chapman joined the meeting after the agenda discussion.

Agenda

A motion was made by Director Provo, supported by Director Litzner to approve the agenda as presented. All directors voted in favor and the motion passed unanimously.

Review and Approval of Minutes

Director Litzner asked that a sentence be added to Director Sawruk's motion to move strategic planning to the fall of 2018; "Director Litzner asked if both the new and retiring CFOs would be in attendance, President Dasho confirmed they would be."

Director St. Onge made the correction that Director Litzner entered the March board meeting after the approval of the minutes. There was a discussion regarding the proper roll call procedures.

Director Provo noted that Director Litzner's name was not included in Director Sawruk's motion to send the CEO contract to an outside legal counsel. Director Litzner was included in the roll call vote, so his name was added to the motion.

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.

Board Concerns

Director Litzner discussed an email to the board regarding board health insurance. Director Litzner replied to the email according to the board policy. There was a discussion surrounding the current generation situation with regards to the ATC issue in the straits. The board also

reviewed the current generation situation in Detour and new generation possibilities. Director LaLonde asked about the scholarship process, for future policy, he would like to see us wait until grades have been provided after the first semester before the checks are provided to the scholarship winners.

A motion was made by Director LaLonde, supported by Director Sawruk that the 2019 Cloverland awarded scholarships be given after the recipient's first semester grades have been given. Director St. Onge provided an amendment declaring that Cloverland will disperse the checks when registration to the second semester of the first year has been provided by the recipients. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

President and CEO Report

President Dasho gave his report as previously presented to the board of directors.

President Dasho discussed the NRECA governance reports which was presented to the board of directors. A key topic was open board meetings. President Dasho can see where opening meetings to the membership has value, with the idea being that we get as much information open to the membership as possible. There will be several issues and matters that will be confidential including employee matters, individual member information, large customers, MISO, etc. Another recommendation from the governance report is that the cooperative attorney be present at all meetings of the board. The board had a discussion regarding the changing of policies in order to have open meetings. Director Monroe requested Attorney Palmer start drafting a policy for this request. The board also mentioned that there should be an annual review of the board policies.

Director St. Onge left the meeting to answer an emergency call, he returned seconds later.

President Dasho's report continued with discussions surrounding Mackinac Island, NRECA, and the Garden Peninsula.

Financials, Power Supply and PSCR

Retiring CFO Robert Malaski and current CFO Aaron Wallin entered the board meeting. CFO Malaski discussed and reviewed the March financials and year to date totals, as previously presented to the board of directors. There were discussions regarding the SSR payments which we have started receiving bills for. CFO Malaski discussed the current PSCR factor, as well as Power Supply. Director Litzner asked that the SSR monthly payments be added to the PSCR graph. CFO Malaski reviewed the Check Register for March, and answered questions from the directors.

A motion was made by Director Sawruk, supported by Director Litzner to approve the estate retirements in the amount of \$887.36. All directors voted in favor and the motion passed unanimously.

Consent Agendas

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

Director of Communication Todd Chapman presented his report to the board of directors.

A motion was made by Director St. Onge, supported by Director LaLonde to donate \$1,000.00 to the EUP Community Dispute Resolution Center. A roll call vote was taken, all directors voted in support and the motion passed unanimously.

A motion was made by Director Provo, supported by Director *Litzner* to donate \$500.00 to the Inwood Township Volunteer Fire Department. All directors voted in favor and the motion passed unanimously.

The board will be receiving their new IPADs at the May meeting. The board is asked to arrive 30 minutes early for the dispersion.

A motion was made by Director St. Onge, supported by Director LaLonde to enter into executive session.

The board entered executive session at 1:20 pm, and returned to regular session at 1:57pm.

Chairperson Report

The elections are coming up, for those who are up for re-election, Chairperson Monroe wished them the best of luck.

Attorney Report

Attorney Chuck Palmer has been working on questions regarding the upcoming elections. Attorney Palmer is continuing work with LSSU with regards to a new lease on the east end of the hydro plant. The sale of the annex has been completed.

Old Business

There was no old business.

New Business

Roger Line has agreed to take over as Director of Generation, effective Monday April 30. Carl Cole is leaving for Great Lakes Energy. There was a discussion regarding the new hiring of linemen in multiple divisions.

Adjournment

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

A handwritten signature in cursive script, appearing to read "Charles Litzner", written over a horizontal line.

Secretary/ Treasurer Charles Litzner