

CLOVERLAND ELECTRIC COOPERATIVE  
SPECIAL MEETING OF THE BOARD OF DIRECTORS  
ST. IGNACE, MI | CITY COUNCIL CHAMBERS | 4:00PM  
AUGUST 8, 2018

Call to Order

A special meeting of the board of directors of Cloverland Electric Cooperative was held on Wednesday, August 8, 2018, at the City Hall Council Chambers, St. Ignace, Michigan.

Chairperson St. Onge 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 directors were present: Chairperson St. Onge, Vice Chairperson Sawruk, Secretary/Treasurer Bonacci, Directors Legault, Monroe, Provo, Nettleton, LaLonde and Oberle were also present. Interim CEO Aaron Wallin and Assistant Comptroller Dianne Hemming were also in attendance.

Agenda

Director Oberle verified that the items addressed in his previously distributed email will be included in the meeting this evening.

Chairperson St. Onge would like to conclude the meeting by 7pm.

A motion was made by Vice Chairperson Sawruk, supported by Director LaLonde to approve the agenda. All directors voted in favor and the motion passed unanimously.

Review and Approval of Minutes

Director Provo asked that the language from his statement be corrected to state: "Director Provo requested it noted that this is a lose-lose resolution. Dan loses, this board loses, the members lose along with a large financial loss. No one wins with this resolution. I just don't know what's going to happen to the coop."

Vice Chairperson Sawruk asked that the sentence be added stating: "that the cooperative is bigger than any one person and would go on."

A motion was made by Director LaLonde, supported by Director Provo to approve the minutes with the added corrections. Directors St. Onge, Sawruk, Bonacci, Provo, Monroe, Legault, Nettleton and LaLonde voted in favor of the motion, Director Oberle opposed. The motion passed.

### Banking Resolutions and Signatures

Due to the dismissal of Daniel Dasho, and the appointment of interim CEO Aaron Wallin, there are several bank documents where signature cards need to be signed.

A motion was made by Director Oberle, supported by Vice Chairperson Sawruk to appoint Aaron Wallin, Interim CEO as the primary agent and signer on all Old Mission Bank accounts owned by the cooperative. In addition, appoint Brian Lavey as the additional signer to the general checking accounts. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

A motion was made by Director LaLonde, supported by Secretary/Treasurer Bonacci to appoint Aaron Wallin, Interim CEO as the primary agent and signer on all Central Savings Bank accounts owned by the cooperative. In addition, appoint Brian Lavey as the additional signer to the general checking accounts. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

A motion was made by Chairperson St. Onge, supported by Director LaLonde to appoint Aaron Wallin, Interim CEO as the primary agent and signer on all Soo Co-op Credit Union, State Savings Bank, and Detour Drummond Community Credit Union accounts owned by the cooperative. In addition, appoint Brian Lavey as the additional signer to the general checking accounts. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

A motion was made by Director Oberle, supported by Secretary/Treasurer Bonacci to remove former CEO Dan Dasho from all bank accounts owned by the cooperative. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

A motion was made by Director Oberle, supported by Vice Chairperson Sawruk to adopt the resolution to cover all changes to RUS as written;

1. RESOLVED that Aaron L. Wallin, the Interim CEO of the Corporation, be the Certifier on behalf of the Corporation, who shall be responsible for submitting and certifying to the Rural Utilities Service, an agency of the United States Department of Agriculture delivering Rural Development Utilities Programs, any and all data required by RDUP Form 674;
2. RESOLVED that Dianne Hemming, the Assistant Comptroller, of the Corporation, be the Security Administrator on behalf of the Corporation, who shall give access to the Corporation's data, as appropriate, to other employees, officers, or contractors of the Corporation, for the purpose of complying with RDUP Form 674; and
3. RESOLVED that both shall comply with the Instructions for RDUP Form 674 in regard to use of the government's data collection system.

A roll call vote was taken, all directors voted in favor and the motion passed.

### Transition

Interim CEO Aaron Wallin discussed the last couple of weeks with the board, since the appointment of his Interim position.

Director Oberle asked if there is a current job description for President and CEO. Mr. Wallin informed the board that there is no job description at this time, but that Human Resources Manager Becky Mills will be working on completing it. Mr. Wallin indicated that Cloverland needs a clear and united vision from the board going forward. Chairperson St. Onge asked to see a succession letter from Mr. Wallin by Friday.

The board discussed the initiation and details of Operation Round Up and the possibility of establishing an Employee Incentive Plan.

### Succession Planning

Chairperson St. Onge presented the board with an Executive Search proposal from Dr. Peter Mitchel.

Mr. Wallin requested that the board decide the characteristics of the person they would like to see in the position. Director Oberle suggested that a job description be written as well as a policy for the CEO and board interactions. Assistant Comptroller Dianne Hemming mentioned that NRECA has a free bulletin board where the board could post a CEO position.

Mr. Wallin and the board discussed conducting an attorney search, and the option to hire an in-house attorney. Chairperson St. Onge requested that Ms. Mills and Mr. Wallin request applications and proposals from attorneys to present at an upcoming board meeting. Mr. Wallin agreed to have an RFP/FRQ for an attorney for the next regular meeting of the board. Cloverland, at this point, is still working on some continued cases with Attorney Chuck Palmer.

A motion was made by Director Oberle, supported by Chairperson St. Onge to take a 5-minute break.

A motion was made by Director Oberle, supported by Secretary/Treasurer Bonacci to enter into executive session at 5:42pm.

The board returned to regular session.

### Business Practices

Director Oberle indicated that attending board conferences and regional meetings supply useful information for board members in general and how to handle difficult situations. Chairperson St. Onge stated that he is not opposed to attending conferences, but he's opposed to paying board members \$400.00 a day to attend the conferences. Currently, we're budgeted through the end of the year, changes to board policies can be made in the new budget year.

### Corporate Governance

The board discussed the institution of standing committees. Chairperson St. Onge requested that each board member create a wish list of which committees they would like to sit on; Audit and/or Policy.

The board discussed the process of consent agendas. All consent agendas will be read prior to the board meeting, any action items will be included in new business. The board would like to continue having members of the executive team present at board meetings.

The board discussed the recording of meeting minutes. Director Oberle stated that the minutes should only record board actions and represent decisions that the board makes. Director Provo stated that the way the minutes are currently recorded show transparency.

The board discussed open meetings and the potential public comment. Chairperson St. Onge indicated that if a board member would like to add a special item to the agenda, they are to contact the Executive Assistant. If a member would like to present to the board of directors, they are to contact the Chairperson of the Board.

Director Oberle requested using the KRTAs to monitor the practices of the cooperative. Chairperson St. Onge suggested Director Oberle collect his ideas and have a discussion section added to the next regular meeting agenda.

### Community Meetings

The community meeting schedule is as follows: October 23 will be in Manistique, MI, October 24 will be in Sault Ste. Marie, MI and October 25 will be in St. Ignace, MI.

The August and September Regular Meeting of the Board of Directors will be in Sault Ste Marie, MI. The August Regular Meeting of the Board will be on Tuesday, August 28 at City Hall, starting at 9:30a.m.


The October board meeting will be in Manistique, starting at noon before the Community Meeting.

### Vision Statement

The board recited the vision statement.

### Adjournment

A motion was made by Vice Chairperson Sawruk, supported by Director LaLonde to adjourn the Special Meeting of the Board. All directors voted in favor and the motion passed unanimously.

  
Secretary/Treasurer, Carmine Bonacci