

REGULAR MEETING OF THE BOARD
CLOVERLAND ELECTRIC COOPERATIVE
SAULT STE MARIE, MI | CITY HALL CHAMBERS | 9:30AM
AUGUST 28, 2018

Call to Order

A regular meeting of the board of directors of Cloverland Electric Cooperative was held on Tuesday, August 28, 2018, at the City Hall Chambers, Sault Ste Marie, Michigan.

Chairperson St. Onge called the meeting to order at 9:30a.m. 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 Monroe, Legault, Provo, Nettleton, LaLonde, and Oberle. Interim CEO and CFO Aaron Wallin, Director of Member Services and Key Accounts Wendy Malaska, and Director of Generation Roger Line were also in attendance.

Agenda

Chairperson St. Onge will discuss the details of the CEO search and the attorney RFQ in new business.

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

Special Meeting Approval of Minutes

Director Provo asked that the time of the Special Meeting be added to the minutes.

A motion was made by Vice Chairperson Sawruk, supported by Secretary/Treasurer Bonacci to approve the minutes with the addition of the date. All directors voted in favor and the motion passed unanimously.

Public Comment

There was no public comment. Chairperson St. Onge thanked those in attendance for coming to the historic first open meeting of Cloverland Electric Cooperative.

Board Concerns

Vice Chairperson Sawruk informed the board that a member has requested that the canal temperature be put back up on the sign in front of the administration building.

Secretary/Treasurer Bonacci requested that local members be given opportunity to provide goods to the cooperative.

Director Oberle discussed NRECA's Organizational Assessment with the board of directors.

President and CEO Report

Mr. Wallin addressed the board with concerns of the LSSU agreement regarding the boring holes which were included within the \$450,000.00 purchase of the building. The additional purchase was not approved at the board meeting, according to the motion in the minutes. Within the LSSU resolution, an additional topic discussed was providing electricity to the aquatics research lab. Chairperson St. Onge provided the explanation that Cloverland intended to bring the electricity to the building, not provide and continue to pay for the electricity.

Mr. Wallin discussed a purchasing approval policy. Mr. Wallin requested that a new policy be written. Cloverland needs a separate corporate policy and board policy. Director Oberle asked if CEO Wallin can delegate those responsibilities for now. Mr. Wallin replied at this time, the names are specifically mentioned in the current policy. Director Provo discussed the possibility of having policy and bylaw committees.

Mr. Wallin discussed a conversation between Cloverland and MECA regarding Cloverland re-joining with MECA, (Michigan Electric Cooperative Association). Chairperson St. Onge requested that a report, including cost comparison, be compiled and ready to take action on at the next regular meeting of the board.

Mr. Wallin and Wendy Malaska discussed the Operation Round-Up Program with the board of directors. A brief description of how other Michigan Cooperatives have run the program and the benefits they experienced was given to the board.

The board took a 5 minute break.

Mr. Wallin discussed the Michigan Aligned Parties.

A motion was made by Vice Chairperson Sawruk, supported by Director Monroe to stand down and not pursue with the MAP at this time. A roll call vote was taken, all directors voted in favor and the motion passed.

Mr. Wallin discussed the use of Melissa Sturges from Sturges Word Communications as a PR firm. The retainer is \$5,000.00 a month. Cloverland is looking at hiring a communication specialist position in the near future.

Mr. Wallin discussed the Attorney RFQ. An email will be sent to the board with this information. Mr. Wallin requests that any suggestions from the board be sent directly to him.

Mr. Wallin discussed his recommendation for an NRECA organizational assessment. Typically, these assessments cost around \$30-40,000. The board and staff can both benefit from this information and offer a clear, concise viewpoint for the new CEO.

The board discussed the use of PTM, Dr. Peter Mitchell's, Executive Search proposal.

A motion was made by Director Oberle, supported by Vice Chairperson Sawruk to authorize the Chairman to engage Dr. Peter Mitchell's proposal within the quoted price range and grant him the authority to sign the agreement. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

Consent Agendas

Director Provo discussed the money remaining in the donation request fund. Ms. Malaska will look at the general account information and supply the actual numbers to the board of directors at the next meeting.

Director Sawruk asked if and who was conducting an exit interview with the ET that is leaving Cloverland. Mr. Wallin will investigate that situation.

A motion was made by Director LaLonde, supported by Secretary/Treasurer Bonacci to approve the consent agendas. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

A motion was made by Director Provo, supported by Director Monroe to accept the estate retirements in the amount of \$7,397.90. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

Old Business

A discussion was had regarding the use of Decision Wise or other services to assist in the Attorney Search.

Director Oberle discussed details surrounding the transition and CEO search. A CEO job description is needed.

New Business

A motion was made by Director LaLonde, supported by Vice Chairperson Sawruk that the director per diem for regular board meetings drop from \$800.00 to \$600.00 and the per diem for special meetings and trainings drop from \$400.00 to \$200.00 effective immediately. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

After a brief discussion, an amendment to this motion was made by Director Oberle, supported by Vice Chairperson Sawruk that this motion would be effective January 2019. A roll call vote was taken on the amendment, Directors Bonacci, Legault, Monroe,

Nettleton, Oberle, Provo, and Sawruk voted for the amendment; Directors LaLonde and St. Onge voted against the amendment. The amendment passed.

A motion was made by Director LaLonde, supported by Director Provo that out of the twelve (12) regular meetings of the board, four (4) meetings will be scheduled in each district, with at least two (2) of them being in the large, major cities of those districts. All directors voted in favor and the motion passed unanimously.

An amendment was made to this motion by Director Oberle, supported by Vice Chairperson Sawruk that half of the 2019 meetings not start before 4:00pm. A roll call vote was taken, Directors Bonacci, LaLonde, Oberle, Sawruk and St. Onge voted for the amendment; Directors Legault, Monroe, Nettleton and Provo voted against the amendment. The amendment passed.

Staff will be available by phone to answer questions during these out of area meetings.

Financial Information

Mr. Wallin discussed the July financial summary, PSCR, Power Supply and Financials as previously presented to the board of directors.

Mr. Wallin reviewed and answered questions regarding the Check Register and SSR Payments.

A motion was made by Director Oberle, supported by Secretary/Treasurer Bonacci to nominate Vice Chairperson Sawruk as voting delegate for the NRECA regional meeting. All directors voted in favor and the motion passed unanimously.

A motion was made by Director LaLonde, supported by Vice Chairperson Sawruk to enter into executive session at 1:25pm.

A motion was made by Vice Chairperson Sawruk, supported by Secretary/Treasurer Bonacci to enter into regular session of the board of directors.

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



Secretary/Treasurer Carmine Bonacci