

REGULAR MEETING OF THE BOARD  
CLOVERLAND ELECTRIC COOPERATIVE  
MANISTIQUE, MI | COMFORT INN  
OCTOBER 23, 2018

Call to Order

A regular meeting of the board of directors of Cloverland Electric Cooperative was held on Tuesday, October 23, at Comfort Inn, Manistique, Michigan.

Chairperson St. Onge called the meeting to order at 12:00 p.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, Oberle and LaLonde. Interim President and CEO Aaron Wallin, Directors of Information Technology, Operations, Member Services and Key Accounts, Human Resource Manager and the Assistant Comptroller were also present.

New Business

RUS General Field Representative Pat Sarver entered the board meeting to discuss the AV8 Loan and the documents surrounding it.

A motion was made by Director Provo, supported by Director Monroe to approve a RUS resolution requesting Federal Financing Bank funding up to \$42.9 million. A roll call vote was taken; Directors LaLonde, Legault, Monroe, Nettleton, Provo, Sawruk and St. Onge voted for the motion. Directors Bonacci and Oberle voted against the motion. The motion passed.

Agenda

Director Oberle requested to speak about the board compensation payments. The board decided it will discuss this matter in executive session.

Minutes

Director Oberle asked that his motion regarding the appointment of committees read as follows:

“A motion was made by Director Oberle, supported by Secretary/Treasurer Bonacci to amend Policy 104, allowing the chairperson to be able to appoint and designate committees of the board. A roll call vote was taken; Directors Bonacci, LaLonde, Oberle, Sawruk and St. Onge voted in favor, Directors Legault, Monroe, Nettleton, and Provo voted against. The motion passed with a 5/4 vote.”

Director Oberle also requested his motion regarding donations be amended as such:

“A motion was made by Director Oberle to not donate to United Way, clarifying that he is opposed to all community donations. After receiving no support, the motion died for lack of support.”

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

#### Public Comment

There was no public comment.

#### Board Concerns

Director Provo received a call from The St. Ignace News, he did not speak to them due to his concern about speaking outside the boardroom. Chairperson St. Onge informed the board that he has also chosen not to speak to the reporter. Director Monroe announced that he had also been contacted by a reporter.

#### Interim President and CEO Report

Interim President and CEO Aaron Wallin requested that the board approve his employment contract with Cloverland Electric Cooperative. Chairperson St. Onge announced that the board will vote on this matter during the new business part of the meeting.

Mr. Wallin discussed the process for either a member, director or employee purchasing materials from our stores department. Director Oberle asked if Mr. Wallin reviewed the board policies before making the decision to no longer allow purchases. Mr. Wallin confirmed he did review the policy and he feels that this should not be considered a board governance policy. Mr. Wallin gave a recommendation to rescind Policy 301, Sale of Material, for the time being.

A motion was made by Director Oberle, supported by Secretary/Treasurer Bonacci to rescind Policy 301. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

Mr. Wallin discussed the conference call that the board participated in on Tuesday, October 2, 2018. Mr. Wallin does not object to paying the board for their time according to current board policy, but it was not his understanding that this was considered a special meeting. Chairperson St. Onge informed the board that if a special meeting per diem was applicable, he will choose not to accept it due to the short duration of the call.

A motion was made by Director Oberle, supported by Vice Chairperson Sawruk that the conference call on October 2, scheduled by Chairperson St. Onge, be considered a special meeting. A roll call vote was taken; Directors Oberle and Sawruk voted in favor of the motion. Directors Monroe, Nettleton, Provo, St. Onge, Bonacci, LaLonde and Legault voted against the motion. The motion failed.

#### Finance, Power Supply and PSCR

Mr. Wallin discussed the Financials, Power Supply, Check Register and PSCR as previously presented to the board of directors.

#### Consent Agendas

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

#### Old Business

There was no old business.

#### New Business

Chairperson St. Onge requested staff review the current district lines and confirm that they are evenly distributed. He would like to see recommendations and suggestions in order to have the entire St. Ignace municipality part of the same district.

The board reviewed the estate retirements.

A motion was made by Vice Chairperson Sawruk, supported by Director LaLonde, to approve the estate retirements in the amount of \$3,926.79. All directors voted in favor and the motion passed unanimously.

Chairperson St. Onge discussed forming board committees to include a policy committee, personnel committee, audit committee and an exploratory committee. Chairperson St. Onge informed the board of his recommendations for members of each committee. After board discussion, the committee members are as follows: the policy committee includes Directors Oberle, Sawruk and Bonacci; the personnel committee includes Directors St. Onge, Monroe and Legault; the audit committee includes Directors Sawruk, Bonacci and LaLonde; and the exploratory committee includes Directors LaLonde, Nettleton and Bonacci. It will be determined by the individual committees who they appoint as Chairperson. The committees will meet as assigned by the board.

A motion was made by Vice Chairperson Sawruk, supported by Director LaLonde to approve the Chairperson's recommendation for committees as amended. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

The next board meeting will be at 10:00 a.m., Monday, November 12 at the Best Western in Sault Ste. Marie, MI.

A motion was made by Secretary/Treasurer Bonacci, supported by Vice Chairperson Sawruk to approve the Malcolm Park Pride Commitment to Community application in the amount of \$1,500.00. A roll call vote was taken, Directors Bonacci, LaLonde, Legault, Monroe, Sawruk and St. Onge voted for the motion. Directors Nettleton, Oberle and Provo voted against the motion. The motion passed.

The board discussed an employment contract with Mr. Wallin. The contract requires that should Mr. Wallin be terminated without cause, Cloverland will make a severance payment to Mr. Wallin equivalent to 1 year's salary. The term of the contract is for 1 year, beginning Oct. 23, 2018.

A motion was made by Secretary/Treasurer Bonacci, supported by Vice Chairperson Sawruk to approve an employment contract with Interim President and CEO Aaron Wallin, conditional upon review by the board attorney. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

A copy of Mr. Wallin's contract is filed with these minutes.

The board discussed the attendance of Board Attorney Erin Evashevski. She will make herself available when needed by the board. The board will follow up on the current policy requesting the board attorney be present at all meetings.

A motion was made by Director LaLonde, supported by Director Monroe to enter into executive session at 1:43 p.m.

A motion was made by Director Monroe, supported by Vice Chairperson Sawruk to return to regular session at 3:09 p.m.

A motion was made by Director Monroe, supported by Secretary/Treasurer Bonacci to agree to ratify the contract if both unions, USW Local 13547 and IBEW Local 876, also agree to ratify the contract. 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 Director Monroe to adjourn the meeting at 3:11 p.m.



Secretary/Treasurer Carmine Bonacci