

CLOVERLAND ELECTRIC COOPERATIVE
REGULAR MEETING OF THE BOARD
NOVEMBER 12, 2018 | SAULT STE MARIE MI
10:00 A.M.

Call to Order

A regular meeting of the board of directors of Cloverland Electric Cooperative was held on Monday, November 12, 2018 at Best Western in Sault Ste Marie, Michigan.

Chairperson St. Onge called the meeting to order at 10:00 a.m. and led the board in the Pledge of Allegiance.

Chairperson St. Onge thanked all Veterans in attendance for their service.

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 CEO Aaron Wallin and Corporate Attorney Erin Evashevski were also in attendance.

Agenda

There were no additions or changes to the presented agenda.

Minutes

A motion was made by Vice Chairperson Sawruk, supported by Director LaLonde to approve the October minutes as presented. Directors LaLonde, Legault, Monroe, Nettleton, Oberle, Sawruk, St. Onge and Bonacci voted in support of this motion. Director Provo was opposed. The motion passed.

Public Comment

Cloverland member Nancy Rose commented that she was happy that the meetings are now open to the public. The member pointed out that there is a clear split within the board, but that all decisions need to be made with the best intentions for the cooperative.

Board Concerns

Chairperson St. Onge informed the board that Dr. Mitchell will call in at 11:30 a.m. today with a CEO Search update.

Interim CEO Report

Interim CEO Aaron Wallin gave an update on Presque Isle. Mr. Wallin discussed changing the PSCR basing point in the near future. Mr. Wallin's additional discussions will be held in executive session.

Chairperson St. Onge asked about the Enbridge meeting that was held last week regarding the construction of the tunnel.

Finance, Power Supply and PSCR

Mr. Wallin discussed the financials, power supply, check register and PSCR as previously presented to the board of directors.

Mr. Wallin also discussed the 2019 PSCR basing point and the 2019 budget including TIER.

Consent Agendas

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

New Business

Director of Member Services and Key Accounts Wendy Malaska prepared an analysis of the division of our district lines. The board reviewed the presentation as previously presented. Ms. Malaska's recommendation was to keep things as they are. After discussions, the board decided to make a motion.

A motion was made by Vice Chairperson Sawruk, supported by Secretary/Treasurer Bonacci to move the members in Moran Township into District A and move Chippewa and Hulbert townships into District C. A roll call vote was taken; Directors Bonacci, LaLonde, Oberle, Sawruk and St. Onge supported the motion. Directors Legault, Monroe, Nettleton and Provo were against the motion. The motion passed with a 5/4 vote.

This change will go into effect for the 2019 candidacy. The board reviewed the estate retirements.

A motion was made by Director Provo, supported by Director Monroe to approve the estate retirements in the amount of \$2,139.39. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

The board discussed the upcoming director election schedule, along with the 2019 regular meeting of the board calendar.

A motion was made by Director LaLonde, supported by Vice Chairperson Sawruk to approve the 2019 director election schedule as provided. All directors voted in favor and the motion passed unanimously.

A motion was made by Vice Chairperson Sawruk, supported by Director LaLonde to approve the 2019 regular meeting of the board calendar. All directors voted in favor and the motion passed unanimously.

Vice Chairperson Sawruk provided a policy committee update to the board. Director Provo expressed concern about the board's actions according to Policy 100 General Powers of the Board. There was no recommendation from the Interim CEO to change Policy 104.

A motion was made by Vice Chairperson Sawruk, supported by Director LaLonde that no action be placed on file for the recommended Policy 104 revisions. All directors voted in favor and the motion passed unanimously.

Executive Session

A motion was made by Director LaLonde, supported by Vice Chairperson Sawruk to enter into executive session at 11:25 a.m. to hold a phone call with Dr. Peter Mitchell.

The board broke for lunch.

A motion was made by Director LaLonde, supported by Vice Chairperson Sawruk to re-enter executive session at 12:35 p.m. to continue discussions.

A motion made by Director Oberle, supported by Director LaLonde to come out of executive session at 1:32 p.m.

A motion was made by Director Monroe, supported by Vice Chairperson Sawruk to change the basing point of the PSCR to .05859. A roll call vote was taken, Director Oberle abstained from the vote due to conflict of interest with rate changes for tribal communities. All other directors voted in favor and the motion passed.

A motion was made by Vice Chairperson Sawruk, supported by Director Monroe to set the PSCR factor to 0.00. A roll call vote was taken, Director Oberle abstained from the vote due to conflict of interest with rate changes for tribal communities. All other directors voted in favor and the motion passed.


A motion was made by Director Provo, supported by Director Nettleton to approve the presented 2019 budget at a 1.91 net TIER and a 1.58 operating TIER. 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 Vice Chairperson Sawruk to not retire capital credits in 2018. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

Chairperson St. Onge requested a presentation from staff with the future plans of the House of Bargains building in Sault Ste. Marie at the next meeting of the board.

Adjournment

A motion was made by Director Oberle, supported by Director LaLonde to adjourn the meeting at 1:48 p.m. All directors voted in favor and the motion passed unanimously.



Secretary/Treasurer Carmen Bonacci