

CLOVERLAND ELECTRIC COOPERATIVE  
REGULAR MEETING OF THE BOARD  
VILLAGE INN | ST. IGNACE, MI  
JANUARY 29, 2019

Call to Order

A regular meeting of the board of directors of Cloverland Electric Cooperative was held on Tuesday, January 29, 2019 at The Village Inn, St. Ignace, Michigan.

Vice Chairperson Sawruk called the meeting to order at 4:01p.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: Vice Chairperson Sawruk, Secretary/Treasurer Bonacci, Directors Monroe, Provo, Nettleton, Oberle and LaLonde. Director Legault was unable to attend the meeting. Chairperson St. Onge participated in the meeting via conference call.

Cloverland staff members Interim President and CEO/CFO Aaron Wallin, Director of Business Development & Communications Wendy Malaska, Director of Engineering Brian Lavey, Director of Generation Roger Line, Director of Human Resources Becky Mills, Director of IT Chuck Zane, Director of Operations Paul Warner and Executive Assistant Julie Chadwick were also in attendance. Newly appointed President and CEO Mike Heise also joined via conference call. There were two members in attendance.

Agenda

There were no additions to the agenda.

Minutes

A motion was made by Director Monroe, supported by Director LaLonde to accept the December minutes of the regular meeting of the board as presented. All directors voted in favor and the motion passed unanimously.

A motion was made by Director Oberle, supported by Secretary/Treasurer Bonacci to approve the minutes of the January 4, Special Meeting of the board as presented. All directors voted in favor and the motion passed unanimously.

Public Comment

Abby Baker and Debbie Jones presented their banner project initiative to the board of directors.

Board Concerns

Vice Chairperson Sawruk verified that he is able to resolve the matter of street lights needing replacement by calling member services and providing their location.

Secretary/Treasurer Bonacci asked for an explanation of the non-motorized trail agreement for along the power canal.

#### Interim President and CEO Report

Interim President and CEO Aaron Wallin presented the CEO report to the board of directors. Mr. Wallin requested that the new CEO contract, which was presented to the board of directors, be ratified. The CEO contract has been signed by Chairperson St. Onge, as well as Mr. Heise. Mr. Wallin read the following portions of the CEO contract:

I. EMPLOYMENT

II. TERM

IV. COMPENSATION

V. BENEFITS

VI. TERMINATION

A copy of the complete approved and signed CEO contract will be kept in President and CEO Mike Heise's personnel file as well as filed with the January 2019 board report.

Mr. Wallin discussed the contract for the board attorney. The board decided to table making a motion until they were given further time to review the contract.

Mr. Wallin discussed the 2019 goals for Cloverland.

A motion was made by Director Oberle, supported by Secretary/Treasurer Bonacci to table the 2019 Goals for Cloverland Electric until the February meeting with the new President and CEO, Mike Heise. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

Mediation is scheduled for February 27 in St. Ignace at City Hall. A discussion was held to determine what may be involved in mediation process.

Mr. Wallin discussed the AT&T contract situation and gave a MISO cost update. As of December 2018, Cloverland has completed paying all costs associated with the Presque Isle Power Plant-SSR costs. Mr. Wallin discussed the banner policy with the board of directors.

A motion was made by Director Oberle, supported by Secretary/Treasurer to table the banner policy discussion until the February board meeting with the new President and CEO, Mike Heise. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

The board took a 10 minute break at 5:12 p.m.

The board returned at 5:21 p.m.

Mr. Wallin discussed the upcoming board election and board vacancy. Mr. Wallin discussed financial statements including the 2019 budget balance sheets. Mr. Wallin informed the board that Harris Groups will deliver the results of the 2018 audit at the March meeting.

#### Finance, Power Supply and PSCR

CFO Aaron Wallin discussed the financials, PSCR, Power Supply and Check register as previously presented to the board of directors. Mr. Wallin discussed the new purchasing policy and requested to rescind the current board purchasing policy.

A motion was made by Director Provo, supported by Director Oberle to table the motion to rescind the current board purchasing policy and accept the new operational purchasing policy until February's board meeting and a discussion is had with the new President and CEO, Mike Heise. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

#### 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.

#### Chairperson of the board report

Chairperson of the board will give his report in executive session.

#### Old Business

The old business was discussed in the Interim CEO's report.

#### New Business

A motion was made by Director LaLonde, supported by Director Provo to retire the estate retirements in the amount of \$6,576.46. All directors voted in favor and the motion passed unanimously.

A motion was made by Director Provo, supported by Director Bonacci that in 2019, no donation will be given by Cloverland Electric Cooperative over \$500.00. After discussion amongst the board, a roll call vote was taken, directors Bonacci, Monroe, Nettleton, Provo and Sawruk voted in favor and directors LaLonde, Oberle and St. Onge voted against the motion. The motion passed.

#### Executive Session

A motion was made by Director LaLonde, supported by Secretary/Treasurer Bonacci to enter into executive session at 6:26 p.m.

A motion was made by Director LaLonde, supported by Secretary/Treasurer Bonacci to enter regular session at 6:56 p.m.

### New Business

A motion was made by Director Oberle, supported by Secretary/Treasurer Bonacci to ratify the purchasing committee consisting of Vice Chairperson Sawruk, Director Oberle and Director Monroe. All directors voted in favor and the motion passed unanimously.

A motion was made by Director Oberle, supported by Vice Chairperson Sawruk to delegate Director Ron Provo as voting delegate at the NRECA annual meeting, with Vice Chairperson John Sawruk as alternate. All directors voted in favor and the motion passed unanimously.


A motion was made by Director Oberle, supported by Secretary/Treasurer Bonacci to have board attorney Erin Evashevski review the power canal easement and agreement and assess any costs and liabilities under the easement agreement. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

### Vision Statement

The board stated the vision statement.

### Adjournment

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



Secretary/Treasurer Carmine Bonacci