

CLOVERLAND ELECTRIC COOPERATIVE
REGULAR MEETING OF THE BOARD OF DIRECTORS
COMFORT INN | MANISTIQUE, MI
MARCH 26, 2019

Call to Order

A regular meeting of the board of directors of Cloverland Electric Cooperative was held on Tuesday, March 26, 2019 at the Comfort Inn, Manistique, Michigan.

Chairperson St. Onge called the meeting to order at 4:00 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 Legault, Monroe, Provo, Oberle, Nettleton and LaLonde.

President and CEO Mike Heise, CFO Aaron Wallin, board attorney Erin Evashevski, Director of IT Chuck Zane, Director of Operations Paul Warner, Director of Business Development and Communications Wendy Malaska and Executive Assistant Julie Chadwick attended the meeting. Ron Harris from Harris Group and Mike Kavanaugh from Dykema were also in attendance. There were no public members in attendance.

Agenda

Chairperson St. Onge informed the board that executive session will be moved earlier in the meeting due to the meeting presenters' need for traveling home.

Minutes

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

Public Comment

There was no public comment.

Board Concerns

Chairperson St. Onge discussed a member's concern regarding Cloverland's use of spray. Mr. Wallin informed the board that members are able to opt out of the spraying program by calling the member services department.

President and CEO Report

President and CEO Mike Heise presented his report as previously distributed to the board of directors.

Mr. Heise discussed meetings he attended over the last month. Mr. Heise met with President Hanley of Lake Superior State University to discuss upcoming projects. Mr. Heise informed the board of several HR updates, including retirements and new hires.

Mr. Heise and other members of the board discussed the NRECA annual meeting which was held in Orlando, FL the week of March 10, 2019.

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 informed the board of the outcome of the SRM case.

Consent Agendas

Director of Operations Paul Warner discussed members' concerns regarding using the herbicide spray on their property. Mr. Warner also confirmed that members can call into member services and opt out. Cloverland contracts out to Thunder Bay Tree Service to complete this process.

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

Chairperson of the board report

The Chairperson of the board did not have a report.

Old Business

There was no old business.

New Business

A motion was made by Vice Chairperson Sawruk, supported by Director Provo to approve the estate retirements in the amount of \$2,153.28. 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 approve Resolution 2019_001. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

Executive Session

A motion was made by Director LaLonde, supported by Secretary/Treasurer Bonacci to enter into executive session at 4:39 p.m. All directors voted in favor and the motion passed unanimously.

A motion was made by Director LaLonde, supported by Secretary/Treasurer Bonacci to enter into regular session of the board at 4:56 p.m. All directors voted in favor and the motion passed unanimously.

New Business

A motion was made by Director Oberle, supported by Director LaLonde to agree to approve the settlement and release of liability drafted by attorney Mike Kavanaugh for the lawsuit between Cloverland Electric Cooperative and Mr. Dan Dasho, Chippewa County Circuit Court Case No. 18-15379-CK in the amount of \$275,000.00. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

The total amount of this settlement will be paid by Cloverland Electric Cooperative's insurance provider, Federated Insurance Agency.

The full settlement agreement and release of liability document will be added as attachment A to these minutes.

Ron Harris from Harris Group entered the meeting to discuss Cloverland's 2018 audit.

A motion was made by Director LaLonde, supported by Director Provo to accept the 2019 audit report for Cloverland Electric Cooperative completed by Harris Group. A roll call vote was taken, all directors voted in favor and the motion passed unanimously.

Executive Session

A motion was made by Vice Chairperson Sawruk, supported by Director LaLonde to enter into executive session at 5:39 p.m.

A motion was made by Director Monroe, supported by Secretary/Treasurer Bonacci to enter into regular session at 7:03 p.m.

Next Meeting

The next meeting will be at Raber Township Hall in Goetzville, MI at 10:00 a.m.

Adjournment

A motion was made by Vice Chairperson Sawruk, supported by Director Oberle to adjourn the regular meeting of the board at 7:04 p.m.

A handwritten signature in black ink, appearing to be 'Carmine Bonacci', written over a horizontal line.

Secretary/Treasurer Carmine Bonacci