

A REGULAR MEETING OF THE ONTONAGON COUNTY R.E.A.
BOARD OF DIRECTORS WILL BE HELD AT 500 JAMES K PAUL STREET
ONTONAGON MICHIGAN

MINUTES

August 18, 2023, 9:30 A.M.

1. Hodges called the regular meeting to order at 9:30
2. Roll Call – Hodges, Koski, Myhren, Gasperich, Urbis, Gaunt, Lehto. Others Present: Manager Soumis, and Attorney Greeley.
3. Member comment session None
4. **M/S Gasperich/Gaunt** to add 13.6 committee appointments, 13.7 UPPCO Letter, 13.8 Power Supply Contract to approval the agenda with those additions, all in favor, motion carried.
5. Executive Session was called for at 9:40 by President Hodges. Returned to regular session at 10:55.
6. **M/S Koski/Myhren** to approve Minutes of the July 21 Board Meeting, all in favor, motion passed.
7. Attorney Greeley reported on letters sent to municipalities regarding zoning on the collector poles yet to be erected. He also spoke to two policies, 400-3 the updated sexual harassment, and 200-4, Duties and Responsibilities, Standards of Conduct of Board Members. Each board member needs to review the policy prior to the next meeting and we will go over it in September. This policy must be reviewed annually and signed by each board member for the filing of taxes.
8. Soumis provided the Line Superintendent's Report and the Metering Update, the complete report is attached to the minutes.
9. Manager Soumis presented his report. Some items are on the agenda, further information below. The report is attached to the minutes.
10. Financial Report
 - 10.1 Financial Statements for period ended 06/30/2023 were reviewed and discussed.
 - 10.2 The PSCR Over/Under Collection for period ended 07/31/2023 were reviewed and discussed.
 - 10.3 Special Equipment Summary for period ended 7/31/2023 in the amount of \$45,359.77 was reviewed and discussed.
 - 10.4 RUS Form 219 Inventory of Work Orders for period ended 5/31/2023 in the amount of \$61,148.19 was also reviewed and discussed.
 - 10.5 List of Bills – July 2023 was reviewed and discussed for processing with some items going on to the September agenda for further discussion.
 - 10.6 **M/S Myhren/Gasperich** to accept the reports of the Line Superintendent, Metering Update, Managers report, and the financial report as presented, discussed with the necessary follow-up action, all in favor, motion passed.
11. Business Requiring Board Action
 - 11.1 none.
12. Other Business
 - 12.1 Credentialed Cooperative Director (CCD) Training Update is the first week in October in Marquette.
 - 12.2 Strategic Planning Session Update – Set for December 14 & 15. Ontonagon will be the area, specific location to be determined.
 - 12.3 Board Policy Update (Mike, Jack) Covered under Attorney report. Next step is a verification of all required policies, and the final acceptance. Attorney will advise.
 - 12.4 2022 Tax Statement Review (Form 990) was in the board packet as presented by the accountant. **M/S Gaunt/Lehto** to accept the report and follow the next steps to get it in the mail. All in favor, motion passed.
 - 12.5 Monthly Revenue and Expense Review - The new format was appreciated.
 - 12.6 President Hodges went over committee assignments – Finance is Myhren, Gasperich and Urbis, Policy is Gaunt and Lehto, and Personnel is Hodges and Koski. An ad hoc committee was created of Koski, Gaunt and Lehto for the annual reviews.

- 12.7 A letter was received from UPPCO regarding a possible merge. **M/S Gaunt/Urbi**s to not proceed, discussion was held, all in favor, motion passed.
- 12.8 Power Supply Contract Evaluation -- Eugene spoke as to the steps he is taking in this process. Contract review, time frames required and agencies he is making contact with regarding purchase power.

13. Around the Table Discussion

- 13.1 Gasperich – Spoke to the team work of the board, the healthy discussion, points and counter points brought up and fully discussed. She is honored to be a part of such a great group.
- 13.2 Myhren – Kujala Road customers might be having some interference between the new meters and their cell phones. Manager Soumis will check on this.
- 13.3 Urbis – Encourage the REA to seek made in USA products when feasible.
- 13.4 Koski – has been on the board for 15 – 18 years, and still fully enjoys it, we agree to disagree, concerned that we may have missed the boat on Broadband.
- 13.5 Gaunt – We are pretty amazing for a bunch of Yoopers. I appreciate the conversations!
- 13.6 Lehto – Ditto
- 13.7 Hodges – Thank you for being so amazing! A conference is in Virginia on chasing the money. It may not work for Eugene to attend this time, but let’s keep looking. There may also be an opportunity for 5G with the collection poles we are erecting. Maybe we missed broadband, but maybe we can help with this.
- 13.8 Soumis – I am thankful to have this opportunity!

14. Next Meeting Date: September 15, 2023

15. Adjournment - Myhren at 12:20, Sine Die

William Hodges, President

Mildred Ann Gasperich, Secretary

We the undersigned Directors of the Ontonagon County Rural Electrification Association do hereby confirm, approve and ratify in all respects the above minutes of the Regular Meeting held on August 18, 2023.

Being, all of the Directors of the Ontonagon County Rural Electrification Association



THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

2023 August Manager's Report

1. Rate Study Update
 - 1.1 All initial documents submitted on July 18. Follow up documents were submitted on August 2.
 - 1.2 CFC is currently processing data request information.
 - 1.3 Proposal tentatively set for September/October.
 - 1.4 Rate Notice Meeting for Members November/December.
 - 1.5 Implement Rate Increase January 2024.
2. Received 2022 Income Tax Form 990 from Bauman Associates on August 8. Deadline for filing is November 15, 2022.
3. Metering AMI Project Schedule Update
 - 3.1 New Metering System is approximately 35% complete.
 - 3.2 Targeting completion during the 1st Quarter of 2024.
 - 3.3 Maintaining the Gantt Chart Schedule on a monthly basis.
 - 3.4 Progress has been slow with several electric service installations during the summer construction season.
 - 3.5 New metering system will help reduce estimated billing which has big impact on PSCR calculation and line loss monitoring.
4. NISC iVUE Software Implementation Update
 - 4.1 Expense Reporting is near completion. Expected to be active by early September.
 - 4.2 Will begin Bank Reconciliation setup and training with NISC beginning the first week of September.
 - 4.3 Working on scheduling Purchase Order application setup in October.
5. Net Metering Program Evaluation Status
 - 5.1 Investigating Pros and Cons of Continuing Net Metering Program. We are currently past the required limit.
 - 5.2 Per the rate book, The Cooperative's Net Metering Program is available on a first come, first serve basis until the nameplate capacity of all participating generators is equal to the maximum program limit of 1% of the Cooperative's peak load for the preceding calendar year. Peak Load is approximately 5,500 KW. Total Net Metering KW is more than 100 KW.
 - 5.3 Checking with other coops to share information about their programs.
6. Waiting on quote for a 500 KW Solar installation from Ben Schimpf with Peninsula Solar out of Marquette. A possibility is to do a solar install at each of our 12 substations (6 MW Total).



THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

7. Energy Optimization Program Status
 - 7.1 Waiting for Proposal from Michael Larson Energy Innovations Collaborative (EIC).
 - 7.2 If proposal is cost effective, the coop will work directly with EIC and eliminate WPPI contract which ends on April 30, 2024. Notice to WPPI will need to be made on December 31, 2023.
 - 7.3 If EIC proposal is not cost effective, it is recommended to continue energy optimization program and manage it in-house.

8. Cooperative News
 - 8.1 August Billing – Members, visit the cooperative website for news updates at <https://ontonagon.coop>. Call the office phone at 906-884-4151 with any questions regarding your electric service, or send an email to billing@ontorea.com.

9. Radio Communication System Upgrade Status
 - 9.1 Our existing low frequency radio system is obsolete and in need of an upgrade. Looking into getting an 800 MHz radio system.
 - 9.2 Waiting for Motorola and State Proposal Feasibility.
 - 9.3 Checking with El-Com for other economically feasible options.

10. CFC Strategic Planning Session
 - 10.1 Aaron Stallings with CFC is available in December. Session is now planned for the week of December 11. Tentatively December 14 and 15.

11. Credentialed Cooperative Director (CCD) Training
 - 11.1 Scheduled at the Marquette, MI Landmark Inn. Monday, October 2 through Friday, October 5.
 - 11.2 Five Directors were registered for the training and motel reservations were made.

12. Working on updating Operations Manager and Billing Clerk Job Descriptions.

13. Our Billing Clerk Fay is tentatively planning to retire in the fall of 2024. Would like to interview and have new Billing Clerk on board by January 2, 2024. This will allow for a training and transition.

LINE SUPERINTENDENT'S REPORT TO BOARD

Aug 18th 2023

SAFETY:

We have 0 accident and 0 near misses to report on in Aug. The last MECA was meeting was Pole Top Rescue.

TRUCKS AND EQUIPMENT

Nothing new to report on.

SERVICE INTERRUPTIONS:

Total of 32 service interruptions in July. This computes to 1.1 minutes/members for the month and 3.64 minutes/members YTD for 2023.

Vegetation Management:

Tree Crew # 1 Mowed 72 spans = 3.5 Miles/ Trimmed 10 Spans = .5 Miles. Removed 383 Danger Trees. Completed 7 Member Reported Tree Tickets. Tree crew 1 is in Misery Bay for the month Aug and Sept.

Tree Crew # 2 Mowed 60 spans = 2.8 Miles/ Trimmed 21 Spans = 1 Mile Removed 325 Danger Trees. Completed 6 Member Reported Tree Tickets. Tree Crew 2 is in the Gay area mowing Taps off of the Betsy Line. They will then move to the Misery Bay Area.

MISC ITEMS:

All crews are working in their areas and very busy with new services that we have received payments on. We have several that we are still waiting on member payments before we can start construction. Crew 2 is still deploying meters when they are not working on services. Crew 2 has also come to help Crew 4 with a few services. I would also like to inform the Board. We are having to shut down some lines in the Misery Bay area for safety of our Tree Crews due to the trees growing in and above the powerlines. The Tree Crew working in the Area said these are the worst lines they have seen on the system so far. We are only shutting the lines down for a short time to perform the work safely.

METERING SYSTEM:

The Crew is working on the next metering pole install on Bella Lake which will be done by this meeting. We have 18 collectors online and 3 waiting to have power supplied to each one. We are working on getting the poles up and then connecting power later due to how busy everyone is with new services. We have 1421 meters online with 116 offline, the offline meters we are working with Vision to perform a firmware update to fix this issue.