

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

October 20, 2023 9:30 A.M.

1. President Hodges called the regular meeting to order at 9:32.
2. Directors present: Hodges, Koski, Myhren, Gasperich, Urbis, Gaunt, and Lehto,
Others present Manager Soumis, Attorney Greeley via Teams.
3. Member comment session -- none
4. **M/S Gaunt/Lehto** to Approve the agenda, all in favor, motion carried.
5. Urbis called for an executive session at 9:33, returning to regular session at 10:10.
6. **M/S Koski/Gaunt** to approve Minutes of the September 15, 2023 Board Meeting, all in favor, motion carried.
7. Attorney Greeley reported a member had filed for bankruptcy and walked us through the R&R's of following the process set by the courts. He also discussed delinquent utility fees and how those are followed in any eviction process.
8. Line Superintendent Urbis provided his report. Please see attached. He reported on the recent training from Federated Insurance regarding the new App for documentation. The App works very well for work site reports as well as the daily check list for the equipment. As of the meeting, all 3,900 feet of underground was installed from Norwich Rd to Novak Road. They will begin the pole replacement this winter from the report the Karcz Inspection Company provided.
9. Metering Update Line Superintendent provided the report. Please see attached. The 174 meters are off line need of a firmware manually installed update and the process has started.
10. Managers' Report was provided, please see attached. Item 1.5 written notice of a rate increase is no longer a requirement through RUS. (Rural Utility Service) GM Soumis was discussing the requirements with RUS for a change and was told the notice is no longer a requirement. It is stated in our by-laws. The By-Laws will need to reflect the change.
11. Financial Reports:
 - 11.1 Financial Statements for period ended 08/31/2023
 - 11.2 PSCR Over/Under Collection for period ended 09/30/2023
 - 11.3 Special Equipment Summary for period ended September, nothing to report.
 - 11.4 RUS Form 219 Inventory of Work Orders for period ended 7/31/2023 for \$21,648.81
 - 11.5 List of Bills – September 2023
 - 11.6 **M/S Myhren/Gaunt** to accept the attorney, line superintendent, metering, managers and financial reports with the inclusion to change the December Board Meeting to Wednesday the 13, to follow the CFC Strategic Planning Session. Location of the meeting to be determined. All in favor motion passed.
12. Business Requiring Board Action
 - 12.1 Board Signatures for September 15,2023 Regular Meeting Minutes
 - 12.2 Rate Increase **M/S Lehto/Myhren** to approve the rate increase, all in favor, motion passed. Special member meeting December 2nd, 10:00 AM Chassell School.
 - 12.3 WPPI Contract Termination -- The Ontonagon REA Energy Optimization Program will continue to be available at the Main Office to all members. **M/S Koski/Myhren** to send the termination letter, all in favor, motion passed.
13. Other Business
 - 13.1 Post CCD Training Review – to summarize, five directors participated in the week-long training. Hodges and Koski already certified as Credentialed Cooperative Directors came down for a one-day refresher. Each director shared "take-a-ways" from the sessions. One size fit's One. Each Coop is individual, congratulate employees from the board level for a job well done, found out how much we didn't know, everyone is a director from the heart, not in it for any other reason.

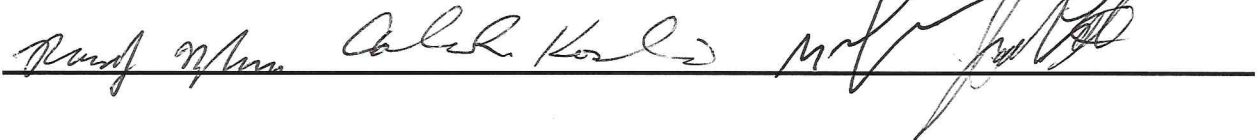
- 13.2 Arvon Township St. Cyr Road Expansion – the quote has been developed and sent off to the requestors.
 - 13.3 Yvonne Whitman spoke with Eugene about what she does and provided him with a follow-up document. Eugene will continue to follow up with her. No longer an agenda item.
 - 13.4 **M/S Myhren/Lehto** to approve policy 500-1 Safety Policy and 500-2 Use of Seat Belts as presented, all in favor, motion carried.
 - 13.5 Cybersecurity – Along these lines – Director Gaunt voiced concerns not knowing what and how our security for the computer system is. **M/S Lehto/Myhren** for him to make contact with our providers at Nitro and also review the cybersecurity policy through Federated, all-in favor, motion passed.
14. Around the Table Discussion
- 14.1 Myhren – Five days of training was overwhelming, learned a lot.
 - 14.2 Gasperich -- Being a director...if you don't have the heart, you don't have the stomach either.
 - 14.3 Urbis – Would like to know more about the Errors and Omissions portion of Directors insurance.
 - 14.4 Koski -- nothing
 - 14.5 Gaunt – Yes, agreed, overwhelming and very worth it.
 - 14.6 Lehto – nothing
 - 14.7 Hodges – Thanks for hanging in there!
15. Next Meeting Date: November 10, 2023
16. Motion to adjourn by Myhren, 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 October 20, 2023.



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

LINE SUPERINTENDENT'S BOARD REPORT

Oct 20th 2023

SAFETY:

We have 0 accident and 0 near misses to report on in Sept. We will have a Federated App training meeting on Wednesday Oct 18th and a Meca Safety meeting on Thursday 19th.

TRUCKS AND EQUIPMENT

Nothing new to report on.

SERVICE INTERRUPTIONS:

Total of 18 service interruptions in Sept. This computes to 0.8minutes/members for the month and 5 minutes/members YTD for 2023.

VEGETATION MANAGEMENT:

Tree Crew # 1 Mowed 78 spans = 3.1 Miles/ Trimmed 58 Spans = 1.8 Miles. Removed 312 Danger Trees. Completed 6 Member Reported Tree Tickets. Tree crew 1 is in Misery Bay for the month Aug and Sept. They will also be making a move to Keweenaw Bay to mow 2 trouble areas that have had several outages this will be the HA line and the M2 line.

Tree Crew # 2 Mowed 65 spans = 3.2 Miles/ Trimmed 15 Spans = .7 Mile Removed 1109 Danger Trees. Completed 4 Member Reported Tree Tickets. Tree Crew 2 is in the Big/Little Traverse area mowing. They also are clearing for a new members service in the Hancock area.

MISC ITEMS:

All crews are working in their areas on 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 working when crew 4 to install 3,900 ft of underground that runs from Norwich Rd to Novak Rd which is a work plan job. They have installed 2,200 ft so far and should finish this week.

METERING SYSTEM:

We have 21 collectors activated as of now the 22nd on Ward Rd is installed but not activated as of yet. We have 2043 meters installed with 174 Offline. We have received the meter firmware update from Vision to hopefully help with our offline meter count. We will head out in the field with a lineman to install this software physically in the meters that are not communicating. The meters that are communicating will be updated by Vision remotely. We have received approval for the collector install in the Gay area. I have talked with several townships that have had questions and asked for more information which I provided. We will continue to reach out to the remaining townships to see if we can answer and questions or concerns to help the project move forward in a timely fashion.

MAINTENANCE:

In the month of Sept Karcz finished up with the yearly Pole and URD inspections in the Keweenaw Bay area. With 999 poles tested we had a 4.7 rejected percentage which equals 47 rejected poles. These poles will go on the list and we will perform pole replacement during the winter months. Out of the 34 URD cabinets inspected they leveled 2 and replaced hazard stickers on 22.

We also had EPS here for 3 days to perform oil sample testing of our transformers and regulators in all areas. I will report on the results of the testing when we receive this report.

Pat Wheeler will be in all areas on Oct 17th and 18th to perform work order inspections. I will report on those inspections when I receive his information.



THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

2023 October Manager's Report

1. Rate Study Update

- 1.1 CFC presented rate study results on September 12, and offered two options.
- 1.2 The Board will vote on the which option and rate percentage increase during the October 20, regular board meeting.
- 1.3 A Special Meeting is Scheduled December 2, at the Chassell Highschool beginning 10:00 am to review and present the rate increase with the members.
- 1.4 The Special Meeting Notice will be advertised in the Country Lines Magazine, which will be mailed on November 4. Special Meeting will also be advertised in the community news section on the November electric bill.
- 1.5 RUS will need a written notice of the rate increase not less than 90 days before the rate increase becomes effective. This will need to be sent by November 3, 2023.
- 1.6 Rate Increase will be implemented on the February 2024 Electric Bill (January Usage).

2. Metering AMI Project Schedule Update

- 2.1 New Metering System is approximately 40% complete.
- 2.2 Waiting for township zoning approval to install the remaining collector poles.
- 2.3 Targeting completion is March 31, 2024.

3. NISC iVUE Software Implementation Update

- 3.1 Expense Reporting is near completion. Waiting for automatic import from US Bank.
- 3.2 Bank Reconciliation implementation with NISC is in progress with approximately 90% completion and is currently being utilized.
- 3.3 Working on scheduling Purchase Order application setup in 2024.

4. 500 KW Solar installation Update

- 4.1 Investigating economics to install solar at each of our 12 substations (6 MW Total).
- 4.2 Received an estimated cost of \$1.64 to \$2.5 per Watt installed from Peninsula Solar.
- 4.3 Peninsula Solar is working on a formal quote for solar installation near the Ewen Substation.
- 4.4 Bay Electric is also working on a formal quote.
- 4.5 Overall plan is to get formal cost estimate, apply for grants that would allow for the government to pay 80% and the cooperative to pay 20% of the total installation cost.

5. Energy Optimization Program Update

- 5.1 A termination letter was written and will be presented to the board at the October 20, regular board meeting. The contract will be terminated by April 30, 2024. Notice to WPPI will need to be made before December 31, 2023.
- 5.2 The energy optimization program will continue in the future and be managed in-house.



THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

6. Cooperative News

October Billing – Members, sign up for auto pay and get a 4-Pack of LED Bulbs. Call the office for details at 906-884-4151, or email billing at billing@ontorea.com.

7. Cooperative EV Charger Update

7.1 Board recommended investigating installation of EV Chargers at strategic locations. In the process of getting a quote from a supplier. First site location tentatively set for the Gay area.

8. CFC Strategic Planning Session

8.1 Aaron Stallings with CFC is available in December. Session is now Scheduled for Tuesday, December 12, and Wednesday, December 13. The board will approve schedule during the October 20, regular board meeting.

9. MECA Michigan Senate Bill Legislation Update

9.1 MECA has been communicating Michigan Senate Bill Updates that may impact electric cooperatives if legislation is passed. They include Senate Bill No. SB 271 and SB 273. Voting of these bills are scheduled in October. Passing of these bills may have an economic impact to utilities.

9.2 Senate Bill No. SB 271 – Clean and Renewable Energy.

9.3 Senate Bill No. SB 273 - Energy Waste Reduction Act

10. Billing Changes Update

10.1 The cooperative is slightly changing its billing schedule to match meter uploads during the same dates that Wolverine is uploading and billing the cooperative.

10.2 Estimated Bills are being reduced each month from several hundred down to 50 or less. September estimated bills totaled 6. This will help the cooperative accurately track line losses during each billing cycle.