

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

November 10, 2023, 9:30 A.M.

1. Hodges called the regular meeting to order at 9:32.
2. Roll Call – Koski, Myhren, Gasperich, , Gaunt, and Lehto, Hodges and Urbis via teams.
Others Present: Manager Soumis, and Attorney Greeley.
3. Member comment session None
4. **M/S Gaunt/Lehto** to approval the agenda with two additions 13.8 questions from the annual meeting and 13.9 apprenticeship., all in favor, motion carried.
5. Executive Session called for by Hodges at 9:33 and returned to regular session at 10:10.
6. **M/S Koski/Myhren** to approve Minutes of the October 20, 2023 Board Meeting
7. Attorney Reports -- Pat Greeley provided an update on the proof of claim bankruptcy, and the obligation to pay. He also went over the insurance policy regarding errors and omissions.
8. Line Superintendent's Report was received and is attached.
9. Metering Update was received and is attached. The addition of zoning approval for pole placements in Sherman, Torch Lake and Hancock Township have been approved and will proceed.
10. Managers' Report was received and reviewed. A special thank you for item nine, the breakdown of the Times Interest Earned Ratio and Margins. These will continue to improve as the new metering system is implemented and brushing crews continue to eliminate line loss.
11. Financial Report
 - 11.1 Financial Statements for period ended 09/30/2023
 - 11.2 PSCR Over/Under Collection for period ended 10/31/2023
 - 11.3 Special Equipment Summary for period - Nothing to report
 - 11.4 RUS Form 219 Inventory of Work Orders for period ended 8/31/2023 for \$30,204.42
 - 11.5 List of Bills – October 2023
 - 11.6 Discussion was held regarding the status of all open work orders. As appropriate they are being closed and capitalized.
12. Business Requiring Board Action
 - 12.1 Board Signatures for October 20, 2023 Regular Meeting Minutes
 - 12.2 Board Signature for 2023 RUS Form 2019.
 - 12.3 **M/S Myhren/Lehto** to approve the reports as presented and discussed.
13. Other Business
 - 13.1 Federated Insurance Director Policy Errors and Omissions Review – Attorney Greeley covered under the attorney reports. **M/S Gaunt/Lehto** to approve additional discussions between Director Urbis and Attorney Greeley regarding the policy, all in favor, motion carried.
 - 13.2 December 2, Special Meeting Presentation Review – The power point presentation was reviewed and discussed.
 - 13.3 December Strategic Planning Session Update will be held in the conference rooms at the Baraga Casino on Tuesday and Wednesday December 12 & 13th with the regular board meeting to follow at approximately 1:00 PM after the session on Wednesday.
 - 13.4 Member Smart Meeting Opt Out Request Review – A request was received from a member for an opt out of the new smart meter. After review of the policy, and much discussion it was determined we would maintain the current policy. With alternative meter locations available, opting out of the replacement meter program is unavailable. **M/S Lehto/Gaunt** any costs incurred with the relocation of the meter will be borne by the member, all in favor, motion passed.
 - 13.5 Board Policy Update (Mike Gaunt, Jack Lehto) – Sexual harassment is still under review by council. The hands-free policy is next on the review list.



THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

2023 November Manager's Report

1. Rate Study Update

- 1.1 The Board voted in favor of rate increase option 3, which is an overall rate increase of 10.73%.
- 1.2 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.
- 1.3 The Special Meeting Notice was advertised in the Country Lines Magazine, mailed on November 4. Special Meeting will also be advertised in the community news section on the November electric bill.
- 1.4 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 41% complete.
- 2.2 Received some of the 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 95% 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. Cooperative News

November Billing – A Special Meeting will be held at the Chassell High School (41585 US Hwy 41, Chassell, MI) on Saturday, December 2, beginning 10:00 am. The Cooperative rate increase will be presented. Coffee and Donuts will be available.

6. 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. No activity in October.



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7. CFC Strategic Planning Session

7.1 CFC's Aaron Stallings will be leading the planning session on Tuesday, December 12, and Wednesday, December 13. The meeting will be located in Baraga.

8. MECA Michigan Senate Bill Legislation Update

8.1 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 November. Passing of these bills may have an economic impact to utilities.

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

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

9. Times Interest Earned Ratio (TIER) and Margins Update (Working on getting Target Ranges from CFC).

9.1 TIER – Operating Range	Target Range: >1.1	Actual: 0.62
9.2 TIER – Net	Target Range: >1.25	Actual: 0.83
9.3 TIER – Modified	Target Range: >1.35	Actual: 0.69
9.4 Current Assets to Current Liabilities	Target Range: 1 to 1	Actual: 0.85 to 1
9.5 Margins and Equities to Total Assets	Target Range: > 27%	Actual: 28.03%
9.6 Long-Term Debt to Total Utility Plant	Target Range: > 50%	Actual: 44.84%

LINE SUPERINTENDENT'S BOARD REPORT

November 10th, 2023

SAFETY:

We have 0 accident and 0 near misses to report on in Oct. Tom from MECA will be here Nov 7th to perform crew observations. I will be meeting him on South Baltimore Rd to meet with the crew and help with the observation.

TRUCKS AND EQUIPMENT

Nothing new to report on.

SERVICE INTERRUPTIONS:

Total of 16 service interruptions in Oct. This computes to 1.1 minutes/members for the month and 6.1 minutes/members YTD for 2023.

VEGETATION MANAGEMENT:

Tree Crew # 1 Mowed 101 spans = 4.7 Miles/ Trimmed 88 Spans = 4.6 Miles. Removed 428 Danger Trees.

Tree Crew # 2 Mowed 88 spans = 4.1 Miles/ Trimmed 13 Spans = .6 Mile Removed 456 Danger Trees.

Both crews will be moving before Nov 15th to different locations, due to heavy activity in certain areas for hunting season.

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.

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 2073 meters installed with 154 Offline. We have received approval from Hancock, Sherman and Torch Lake townships on collector pole installs. We will be starting with the Sherman township meter pole installation first due to having meter read issues in that area with the old turtle system. We will be scheduling trucking from Ontonagon area pole storage to the Houghton pole locations the week of Nov 20th.

MAINTENANCE:

We have had several members express concerns about the office parking lot. We contacted the village and they agreed to supply the gravel and we agreed to spread it. The road is owed by the village but our large trucks cause the issues. We are working together with the village to fix these issues