

A REGULAR MEETING OF THE ONTONAGON COUNTY R.E.A.
BOARD OF DIRECTORS WAS HELD AT 16449 Michigan Avenue
Baraga, Michigan

Minutes
December 13, 2023, 12:30 P.M.

1. Hodges called the regular meeting to order at 12:36.
2. Roll Call – Hodges, Koski, Myhren, Gasperich, Urbis, Gaunt, and Lehto., Others Present: Manager Soumis, Attorney Greeley, Accountant Dallas Aho, and Line Superintendent Mark Urbis.
3. Member comment session None
4. **M/S Gaunt/Lehto** to approval the agenda, with the inclusion of 12.6 General Manager raise, all in favor, motion carried.
5. Executive Session called for by the President at 12:37 and returned to regular session at 1:32.
6. **M/S Koski/Myhren** to approve Minutes of the November 10th, 2023 Board Meeting with two corrections – NCIS should have been NISC, and NREC needs an A on the end.
7. Attorney Reports -- Pat Greeley provided further information on bankruptcy. If anyone is aware of a member filing, please let the office know in order to implement new protocols. He will look into Opting out of the new metering system also. We have zero (0) customers opting out. Vision Metering will be contacted.
8. Line Superintendent's Report was received and is attached. Due to high winds and outages, the scheduled training in Marquette was cancelled.
9. Metering Update was received and is attached. Currently 2227 meters are installed, and the number is growing. The Lanse crew, Gil, Dave, with the help of Caleb are installing this week. Vision is scheduled to come up and conduct the necessary upgrades to the system.
10. Managers' Report was received and reviewed. The Energy Optimization contract with WPPI will expire March 31, 2024. April 1st all requests will be handled in the Ontonagon REA Office. Eugene will identify the current interest rates on the long-term debt.
11. Financial Report
 - 11.1 Financial Statements for period ended 10/31/2023
 - 11.2 PSCR Over/Under Collection for period ended 11/30/2023
 - 11.3 Special Equipment Summary for period ended 11/3-/2023 in the amount of \$5,286.08;
 - 11.4 RUS Form 219 Inventory of Work Orders for period ended 9/30/2023 for \$115,171.39;
 - 11.5 List of Bills – November 2023
 - 11.6 **M/S Myhren/Lehto** to approve the reports as presented and discussed.
12. Business Requiring Board Action
 - 12.1 Board Signatures for November 10, 2023 Regular Meeting Minutes
 - 12.2 Board Signature for 2023 RUS Form 219 for \$115,171.39
 - 12.3 **M/S Gaunt/Lehto** to approve the Employee Christmas Bonus, all in favor, motion passed.
 - 12.4 **M/S Gasperich/Myhren** to approve the sexual harassment Policy 400-3, all in favor, motion passed.
 - 12.5 **M/S Gaunt/Myhren** authorized the write off \$18,526.56 in bad debt owed to us, all in favor motion passed.
 - 12.6 **M/S Myhren/Gaunt** to give the General Manager an increase of 5% for 2024, vote 6-1, motion passed.

13. Other Business

- 13.1 The rate increase meeting went as well as could be expected. As anticipated, it was an opportunity for members to ask questions regarding other topics.
- 13.2 The strategic planning session went well. There was a lot of information to digest.
- 13.3 Member Smart Meeting Opt Out Request being reviewed by the Attorney. See item 7.
- 13.4 Board Policy Updates (Mike Gaunt, Jack Lehto) – Sexual harassment is still under review by council. The new requirements for “hands-free” while using cell phones, computers and such, policy is next on the review list.
- 13.5 MECA Youth Tour Program. Eugene will make contact with the local Intermediate School Districts to make them aware of the program.
- 13.6 MECA November 30th Meeting was heavy on the concerns of the clean energy act recently passed requiring Michigan to be completely carbon free by 2040. The take away was this is going to lower capacity, rolling blackouts may become a fact of life. Michigan Public Service Commission desires to regulate local Cooperatives, similar to the way they currently regulate the large utilities.
- 13.7 High School Student Workplace Observation Placement was discussed. Some Directors thought it could be a good opportunity to get into the community more. Eugene will look into it.
- 13.8 The Solar Proposal for the Ewen Substation has not received financial backing from grants, currently on hold.

14. Around the Table Discussion was limited in discussion since all members had been in the strategic planning session all day on Tuesday and the full morning today.

15. Hodges – Thank you everyone for their willingness to work hard and contribute to our Ontonagon REA.

16. Next Meeting Date: January 19, 2024

17. Adjournment Myhren at 3:08 Sine Die

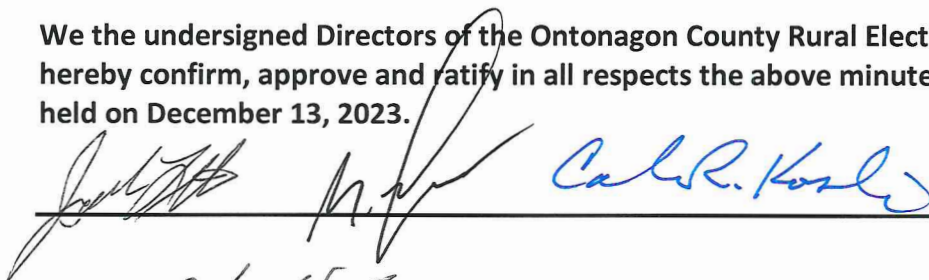


William Hodges, President



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 December 13, 2023.





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



THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

2023 December Manager's Report

1. Rate Study Update

- 1.1 A Special Meeting was held on at the Chassell High School on December 2, to review and present the rate increase with the members. Approximately 26 members attended.
- 1.2 The 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 43% 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. 500 KW Solar installation Update

- 3.1 A meeting with Peninsula Solar was held at the Ontonagon Office on December 7. Estimated cost of installation including fencing and property purchase is approximately \$900K.
- 3.2 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.

4. CFC Strategic Planning Session

- 4.1 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.

5. Times Interest Earned Ratio (TIER) and Margins Update

5.1 TIER – Operating Range	Target Range: >1.1	Actual: 0.67
5.2 TIER – Net	Target Range: >1.25	Actual: 0.87
5.3 TIER – Modified	Target Range: >1.35	Actual: 0.74
5.4 Current Assets to Current Liabilities	Target Range: 1 to 1	Actual: 0.83 to 1
5.5 Margins and Equities to Total Assets	Target Range: < 27%	Actual: 28.23%
5.6 Long-Term Debt to Total Utility Plant	Target Range: > 50%	Actual: 44.51%

LINE SUPERINTENDENT'S BOARD REPORT

Dec, 13th 2023

SAFETY:

We have 0 accident and 0 near misses to report on in Nov. We Have a Meca speaker in Marquette on Dec, 13th. Hector Hernandez will be the speaker and the topic will be Difficult People/Dog Bite Prevention. Several of our crew member will be attending.

TRUCKS AND EQUIPMENT

Nothing new to report on.

SERVICE INTERRUPTIONS:

The month of November had 74 service interruptions. This computes to 3.2 minutes/members for the month and 9.4 minutes/members YTD for 2023.

Vegetation Management:

Tree Crew # 1 Mowed 64 spans = 3 Miles/ Trimmed 36 Spans = 1.5 Miles. Removed 283 Danger Trees.

Tree Crew # 2 Mowed 45 spans = 2.6 Miles/ Trimmed 24 Spans = 1.2 Mile Removed 245 Danger Trees.

These numbers are a little lower due to Holiday's and vacation.

Both Crews have made the move to other areas, Crew 1 is in the Lanse area working on linemen requested troubled areas. Crew 2 is in the Mass City area also working areas with similar issues.

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 22 collectors online. I am working to secure trucking and gravel for the Houghton area to start with collector pole installs. We will be having 3 poles hauled and spot dropped all three of our next locations. We have 1 township that we will not need to secure any approval due to our pole placement not being in that township. We have approval from 3 now with a 4th to contact me on Dec 14th. When I spoke to the 4th township, they informed me the meeting they held had no objections. They did ask if they could just check and clarify that and return and answer on Dec 14th which we agreed would be fine.

MAINTENANCE:

We have received the oil samples and inspection reports back for the transformers and regulators we had tested. Eugene has forwarded me the findings and the crew will follow up with repairs and or replacement of this equipment. We will then send out the equipment that we can have repaired and put back into rotation.

**Merry Christmas and
Happy New
Year!!!!!!!!!!!!**