

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

Minutes as approved.
January 19, 2024, 9:30 A.M.

1. Hodges called the regular meeting to order at 9:35
2. Roll Call – Hodges, Koski, Myhren, Gasperich, Urbis, Gaunt, Lehto. Others Present: Manager Soumis, Accountant Dallas Aho, and Attorney Greeley.
3. **M/S Myhren/Lehto** to allow two people in for the member comment session, all in favor, motion passed. Holly Urbis and Sara Rowley were present and spoke on behalf of Mark Urbis.
4. **M/S Gaunt/Lehto** to approval the agenda with the addition of 13.6, MECA Webinar regarding the Clean Energy Act, all in favor, motion passed.
5. Executive Session – The Board went into executive session at 10:01 and returned to regular session at 10:40.
6. **M/S Koski/Gaunt** to approve Minutes of the December 13, 2023 Board Meeting, all in favor Motion passed.
7. Attorney Greeley provided updates on the Drug and Alcohol Policy, Distracted Driving Policy, and the need for a letter of understanding from the Union.
8. Line Operations' Report – along with the attached report, each shop has conducted their internal inventory and it has been entered in the computer system. Attachment B
9. Metering Update meters in stock, have been sent back to vision to be updated. They should be returned in February.
10. Managers' Report – In addition to the attached report, the 1099's and W-2's have all gone out. Baumann and Associates will be conducting the audit, a reminder rate notice increase is going out with the February Utility Bills. Then a short Q&A was held real property verses utility personal property, and a question was asked on what, if anything, can be done to lower the write -off amount we need to do every year. Attachment C
11. Financial Report
 - 11.1 Financial Statements for period ended 11/30/2023
 - 11.2 PSCR Over/Under Collection for period ended 12/31/2023
 - 11.3 Special Equipment Summary -- Nothing to report
 - 11.4 RUS Form 219 Inventory of Work Orders for period ended 10/31/2023 for \$71,113.64 and the
 - 11.5 List of Bills – December 2023
 - 11.6 **M/S Myhren/Gaunt** to approve the reports as presented and discussed and to pay the bills, all in favor, motion passed.
12. Business Requiring Board Action
 - 12.1 Board Signatures for December 13, 2023 Regular Meeting Minutes
 - 12.2 2024 Budget was received and discussed in detail. **M/S Gasperich/Gaunt** to adopt the presented deficit budget for 2024, Roll Call vote, Gasperich, yes, Gaunt, yes, Koski, yes, Urbis, no, Myhren, yes, Lehto Yes, Hodges, yes, motion passed.
 - 12.3 High School Student Work Place Observation Placement Eugene will work out the details with the school.
13. Other Business
 - 13.1 Post December Strategic Planning Session Review slides were presented to each director, please review for discussion at a future meeting.
 - 13.2 A Staffing Update was provided, approximately 12 people have sent in applications for Fay's replacement.
 - 13.3 2024 Priorities List was presented for the board to review and add to or put up for discussion.


- 13.4 The Board Policy 1000-1 Privacy, Confidentiality, Conflict of Interest was reviewed and discussed. The addition of a portion of "procedure after disclosure" will be added. More discussion on the policy will happen at a future meeting. Regarding all policies, it is the desire of the policy committee to have reviewed all of the existing policies, the new, including distracted driving policy, ready and compiled for the April Meeting. They policy package can go to Attorney Greeley for review.
- 13.5 A Chassell student has shown interest in the 2024 Youth Tour. Updates to follow.
- 13.6 A MECA Webinar regarding the Clean Energy Act, and the areas of concern we need to be aware of was attended by Koski, Gaunt, Hodges and Gasperich. As stated in previous meeting, this Act could change the power supply to all REA members. The increase of dependency on solar and wind could impact distribution.

14. Around the Table Discussion

Lehto -- Let everyone know his Ontonagon REA email account is now working.
 Gaunt – All good.
 Koski – Sun this morning in Aura.
 Urbis -- His Ontonagon REA email account is **not** working.
 Myhren—Asked if we had heard back from UPPCO on a meeting. Nothing at this time.
 Gasperich -- Nothing
 Hodges – He wanted to pass on complements he received from member, "High praise for the Board and the Employees."

15. Next Meeting Date: February 16, 2024

16. Adjournment Myhren Sine Die at 12:06


 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 January 19, 2024.



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



THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

2024 January Operations Report

1. Safety

- 1.1 We have zero accidents and zero near misses to report on in December.
- 1.2 No MECA Safety Meeting in December.
- 1.3 2024 January MECA Safety Meeting will be held on January 24. Safety Topic will be review of the Ontonagon County REA Safety Manual.

2. Trucks and Equipment

- 2.1 Tree Trimming Crew #2 Utility Truck Transmission Failed and is in the shop for repair.
- 2.2 Pickup Truck 12V had a plow frame installed.

3. Service Interruptions

- 3.1 In the month of December, we had 752 service interruptions with a total duration of 231 minutes . This computes to 22 minutes/member for the month.

4. Vegetation Management

- 4.1 Tree Crew # 1 Mowed 75 spans = 3.75 Miles. Trimmed 29 Spans = 1.45 Miles. Removed 287 Trees. Completed 3 tree tickets.
- 4.2 Tree Crew # 2 Mowed 82 spans = 4.1 Miles. Trimmed 0 Spans = 0 Miles. Removed 363 Trees. Completed 2 tree tickets.
- 4.3 Both Crews have made the move to other areas, Crew 1 is in the Trout Creek area Crew 2 is in the Mass City area.

5. Miscellaneous Items

- 5.1 Crews are working in their areas on service work orders.
- 5.2 Crews are working on updating the inventory count.
- 5.3 Crews are catching up on mapping and staking sheets.

6. Metering System

- 6.1 22 collectors online.
- 6.2 L'Anse Meter Exchanges will continue later this month after firmware updates are complete.
- 6.3 Will begin the Gay Collector Pole install in January.
- 6.4 All New Vision Meters (approximately 2,500) were sent back to Vision for a firmware update.

7. Maintenance

- 7.1 Electric Power Systems (EPS) Reports for the 2023 transformer and regulator oil samples and inspections were sent to the crews for repairs and replacements.
- 7.2 Karcz Utility Services Reports for the 2022 and 2023 Pole Testing in the Aura and Keweenaw Bay areas were submitted to the L'Anse Crew for pole replacement work this winter.



THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

2023 January Manager's Report

1. Rate Study Update

1.1 Rate Increase will go in effect on the February billing statement.

2. Metering AMI Project Update

2.1 New Metering System is approximately 46% complete.

2.2 Will be installing the collector pole in the Gay area in January.

2.3 All unused meters are getting the firmware updated. Meter exchanges will resume at the end of January.

2.4 Targeting completion is March 31, 2024.

3. Staffing Updates

3.1 Posted the Billing Clerk job opening in January. Fay's upcoming retirement is scheduled July 31.

Target Hire date is April 1 to allow for a 4-month cross training with Fay.

3.2 Will be Posting for the Operations Manager Position in February. Target hire date is May 1.

3.3 Will be Posting for a Lineman this fall. Gil's upcoming retirement is scheduled in Feb. 2026.

4. Youth Tour Update

4.1 Received an application from a Chassell High School Student. Will be scheduling an interview in the near future.

5. 500 KW Solar installation Update

5.1 Received an updated quote from Peninsula Solar. The quote included American made solar panels. Estimated cost of installation including fencing and property purchase is approximately \$900K.

5.2 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.

6. CFC Strategic Planning Session

6.1 A summary of the Strategic Planning report and action items was received from CFC. The cooperative will work towards completing the action items.

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

7.1 TIER – Operating Range	Target Range: >1.1	Actual: 0.58
7.2 TIER – Net	Target Range: >1.25	Actual: 0.77
7.3 TIER – Modified	Target Range: >1.35	Actual: 0.65
7.4 Current Assets to Current Liabilities	Target Range: 1 to 1	Actual: 0.78 to 1
7.5 Margins and Equities to Total Assets	Target Range: < 27%	Actual: 28.01%
7.6 Long-Term Debt to Total Utility Plant	Target Range: > 50%	Actual: 44.28%