

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

Minutes
February 16, 2024 9:30 A.M.

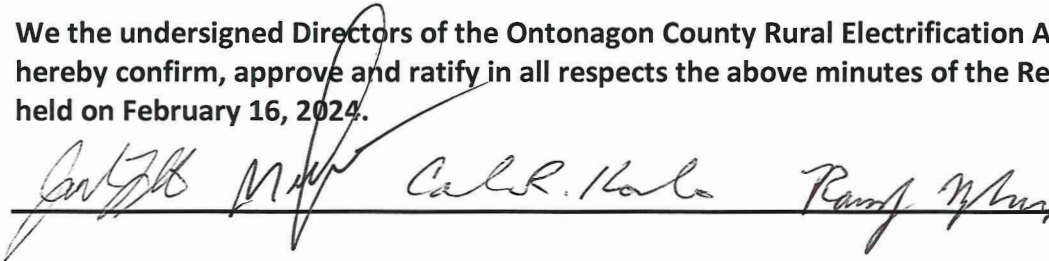
1. President Hodges called the regular meeting to order at 9:35.
2. Roll Call – Hodges, Koski, Myhren, Gasperich, Urbis, Gaunt, and Lehto. Others present: Manager Soumis, Attorney Greeley, and Accountant Aho.
3. Member comment session - None
4. **M/S Gasperich/Gaunt** to approve the agenda changing the order of items 14 & 15, holding the around the table discussion before executive session, all in favor motion passed.
5. President Hodges asked to call an executive session prior to the minutes being approved, after much discussion it was determined the executive session was not necessary.
6. **M/S Gaunt/Myhren** to approve Minutes of the January 19, Regular Board Meeting with the following changes due to the personnel issue, item 3. strike all words after the name of Mark Urbis, motion passed with one abstain.
7. **M/S Gaunt/Myhren** to approve Minutes of the February 1, Special Meeting, with changes due to the personnel issue to include item five member rights and obligations, item six, conflict of interest and item seven, concerns regarding the personnel issue. Motion passed with one abstain.
8. Attorney Reports – Pat spoke to the status of the policies for review and the procedure for same.
9. Line Operations’ Report – see attached with Road restrictions are on and maybe lifted for seven days and returned when the weather warms again.
10. Metering Update—see attached. Currently we are at 60% for installation.
11. Managers’ Report – see attached – Interviews have been held. An offer for the position should be made in the next week or so.
12. Financial Report
 - 12.1 Financial Statements for period ended 12/31/2023
 - 12.2 PSCR Over/Under Collection for period ended 01/31/2024
 - 12.3 Special Equipment Summary for period ended 12/31/2023 \$5,286.08
 - 12.4 RUS Form 219 Inventory of Work Orders for period ended 11/30/2023 \$4,562.32
 - 12.5 List of Bills – January 2024
 - 12.6 **M/S Myhren/Koski** to accept the reports and approve the bills as presented, all in favor, motion passed.
13. Business Requiring Board Action
 - 13.1 Board Signatures for January 19, Regular Meeting Minutes
 - 13.2 Review and Approval of Board Policies – please review the policies and prepare for discussion in March.
 - 600-1, Audit of Records
 - 600-2, Cash Management
 - 700-1, Distribution
 - 700-2, Purchasing
 - 800-1, Loans and Benefits
 - 900-1, Identity Theft
 - 900-2, Transparency
 - 1100-1, Interconnection of Distributed Resources.
14. Other Business
 - 14.1 Michigan Electric Cooperative PAC - Director Contribution Level & Participation – Any Director desiring to participate can donate to Eugene.
 - 14.2 MECA Symposium Invite **M/S Koski/Lehto** to authorize **Hodges, Gaunt, and Gasperich** to attend the symposium in Grand Rapids in April, all in favor, motion passed.
 - 14.3 Staffing Update – six candidates were interviewed for the Utility Billing Clerk position.
 - 14.4 Non-Disclosure Agreement with Greenwood Sustainable Infrastructure LLC – no action taken.

15. Around the Table Discussion—Gasperich, thank you for putting up with my sneezing and asking almost everyone to repeat themselves. Lehto wanted to stress the need for back up communication measures. Along with an email group, a text group should also be implemented. Hodges – Thanks to the board for staying the course during this time.
16. Executive Session was called by the President at 11:26 and returned to regular session at 12:18.
17. Next Meeting Date: March 15, 2024
18. Adjournment **R Myhren** Sine Die At 12:18


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 February 16, 2024.



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



THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

2024 February Operations Report

1. Safety

- 1.1 There were zero accidents and zero near misses reported in January.
- 1.2 The MECA Safety Meeting was held on January 25. The safety meeting included review of near misses and accidents, human trafficking awareness, and the Ontonagon REA Safety Manual review.
- 1.3 The February MECA Safety Meeting will be held on February 24.

2. Trucks and Equipment

- 2.1 Tree Trimming Crew #2 Utility Truck Transmission Failed in December and is currently in the shop for repair.
- 2.2 We are working on getting a total of five old fleet vehicles sold. Will be soliciting used vehicle dealers and other potential buyers in the local area.

3. Service Interruptions

- 3.1 In the month of December, we had 39 service interruptions with a total duration of 1,152 Minutes. This computes to 4.4 minutes/member for the month.

4. Vegetation Management

- 4.1 Tree Crew # 1 Mowed 63 spans = 3.15 Miles. Trimmed 33 Spans = 1.65 Miles. Removed 357 Trees. Completed 3 tree tickets.
- 4.2 Tree Crew # 2 Mowed 74 spans = 3.7 Miles. Trimmed 0 Spans = 0 Miles. Removed 403 Trees.
- 4.3 Crew 1 is in the Trout Creek area Crew 2 is in the Mass City area.
- 4.4 Measurement Units: 1 Span is approximately 265 Feet. 1 Mile is 5,280 Feet. 20 Spans in 1 mile.

5. Miscellaneous Items

- 5.1 Road Restrictions were put in effect on January 30 and will remain in place until further notice. This will delay the AMI Metering Collector Pole Installations.
- 5.2 Crews continue to work in their service territories on service work orders.
- 5.3 Inventory Count was updated at all shop inventory locations.
- 5.4 Crews continue mapping and staking updates. Several 2023 work orders were closed in January.

6. Metering System

- 6.1 23 collectors are currently online.
- 6.2 L'Anse and Hancock Meter Exchanges resumed in early February.
- 6.3 The Gay Hermits Cove Road and Paradise Lane collector were installed in January.
- 6.4 Partial shipment of the firmware upgrade meters (approximately 600) were received the first week of February.

7. Maintenance

- 7.1 OCR and Regulator Inspections continue each month in all service territories.



THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

2023 February Manager's Report

1. Miscellaneous Business Updates

- 1.1 A meeting was held with Wolverine Power, Eric Baker, on February 5, to review a new wholesale power purchase agreement. Our current agreement expires on December 31, 2025. Eric and his team will be working on drafting a new contract.
- 1.2 Received Loan Funds of 1.285 million from the RUS-FFB AG8 Loan.

2. Rate Study Update

- 2.1 The rate increase was implemented on the February 6 billing statement.
- 2.2 The Ontonagon County REA Rate book was updated and submitted to the MPSC at the end of January.

3. Metering AMI Project Update

- 3.1 2,474 New Vision Meters are installed. The new Metering System is approximately 49% complete, based on 5,091 Active Meters.
- 3.2 Two collector poles were installed in January.
- 3.3 The meter firmware updates were completed and meter shipments were received in early February.
- 3.4 Road restrictions that were in effect on January 30 will most likely delay the target completion date of March 31, 2024. Remaining collector pole installations are on hold until the road restrictions are removed.

4. Staffing Updates

- 4.1 Interviews are scheduled for the Billing Clerk job opening on February 13, 14, and 15. Target Hire date is April 1 to allow for a 4-month cross training with Fay.
- 4.2 We will be posting for the Operations Manager Position in March, with a target hire date of May 1. Employees were notified of the opportunity with two employees having interest.
- 4.3 We will be posting for a Lineman for the L'Anse territory this spring. Employees were notified for possible apprenticeship opportunities, currently one employee has interested.

5. Youth Tour Update

- 5.1 Received an application from a Chassell High School Student. A parent of the student was notified. We will be scheduling an interview in the near future.



THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

6. 500 KW Solar installation Update

- 6.1 Received a quote from Peninsular Solar in 2023.
- 6.2 Received a quote from Bay Electric and they presented their proposal at the office on February 9.
- 6.3 Had a virtual meeting with Greenwood Sustainable Infrastructure LLC. They presented options with doing a Power Purchase Agreement, for multiple solar projects in which they would provide all of the upfront capital and then we would pay the power purchase agreement price.
- 6.4 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.

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

1.1	TIER – Operating	Target Range: >1.1	Actual: 0.52
1.2	TIER – Net	Target Range: >1.25	Actual: 0.76
1.3	TIER – Modified	Target Range: >1.35	Actual: 0.65
1.4	Current Assets to Current Liabilities	Target Range: 1 to 1	Actual: 0.75 to 1
1.5	Margins and Equities to Total Assets	Target Range: > 30%	Actual: 28.34%
1.6	Long-Term Debt to Total Utility Plant	Target Range: > 50%	Actual: 44.09%

Note: Currently working with NISC on the formulas calculating the TIER and Margins. The calculations may not be set up properly in the financial software.