

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

Minutes
June 13, 2024, 9:30 A.M.

1. Hodges called the regular meeting to order at 9:30.
2. Roll Call – Hodges, Koski, Myhren, Gasperich, Gaunt, Lehto. Others Present: Interim Manager Aho, and Attorney Greeley.
3. Member comment session -- Pat Kitzman came to speak.
4. M/S Myhren/Gaunt to accept the agenda with the following additions, 5.5 executive session, RUS form 7 under financial reports, and correspondence received from Wayne Schwarts as item 11.10, and to adjust the agenda as necessary for time with item 11.4, presentation from Peninsula Solar, all in favor, motion carried to approval the agenda.
5. M/S Koski/Myhren to approve the minutes of the May 17, 2024 Board Meeting, all in favor motion carried.

5.5 Chair Hodges called for an executive session at 9:45. Resumed normal session at 10:04

12.3 Peninsula Solar from Washington Street Marquette, Michigan, including Ben, Ian, Maggie, and Eric provided an update to a conversation they had with former CEO Soumis in the Winter. A future agenda item is the number or percent of renewable users we allow in the system. July or August agenda item.

6. Attorney Reports - one half of the policies presented to Attorney Greeley for review have been completed. He has also been working on the script for the annual meeting and general emails.
7. The Operations' Report was presented. Justin is unable to join us. He was attending a memorial service. On his report item 1.1 The incident reported was a minor property damage accident between our pick-up and the trailer. Currently 3,957 meters have been installed. See attached for the complete report.
8. Interim Managers' Report was presented and is attached.
9. Financial Report
 - 9.1 Financial Statements for period ended 4/30/2024
 - 9.2 PSCR Over/Under Collection for period ended 05/31/2024
 - 9.3 RUS Form 7 needs to be signed and there were no Work Orders for the period.
 - 9.4 List of Bills – May 2024, were presented.

M/S Koski/Gaunt to accept the reports of the Attorney, Operations, Interim Manager, approve the payments of the bills and sign the RUS form 7. All in favor motion passed.

10. Business Requiring Board Action

10.1 Board Signatures for May 17, 2024 Regular Meeting Minutes

11. Other Business

- 11.1 Annual Meeting Preparation – Discussion about the layout of the room, Chair Hodges went over his presentation, there will be cards for questions available, and great door prizes.
- 11.2 Youth Tour Update – They are currently in Washington D.C. and we will have a report next month and hopefully a presentation and next years' annual meeting.
- 11.3 MECA Meeting Review – Interim Manager Aho attended the meeting and was very interested in the legislative information provided.
- 11.4 Peninsula Solar Project see above.
- 11.5 Appoint District 2 Director **M/S Gaunt/Lehto** to appoint Paul Koski to fill the District Two Director opening, all in favor, motion passed.
- 11.6 CEO Position was discussed. M/S Koski/Gaunt to appoint Dallas Aho as the CEO effective today. Much discussion was held. Tom Sobek, retiring President and CEO of Presque Isle Electric and Gas Cooperative of Onaway, will mentor Aho for up to one year, and will be available for questions and answers as necessary after that time. Aho has the qualities of a CEO/General Manager. Each Director has high praises for Aho. The Chair called for a vote, all in favor, motion passed.
- 11.7 Tom Sobek Consultation Discussion – Chair Hodges and CEO Aho will be in contact with Tom to initiate the first of monthly visits.
- 11.8 Policy Update – See attorney report above
- 11.9 Director and Employee Training – There is a NRECA class in Grand Rapids in September to discuss the relationship between generation and distribution cooperatives. The Board discussed the

feasibility of having a director attend this training. The Financial Class for Director Gasperich is in Wisconsin in October.

11.10 Letter received from Wayne Schwartz was received and placed on file.

11.11 Low Income Energy Assistance Fund was discussed.

12. Around the Table Discussion

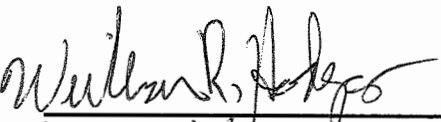
Myhren commended the staff

Hodges wanted to thank the Board for their commitment to Ontonagon County REA

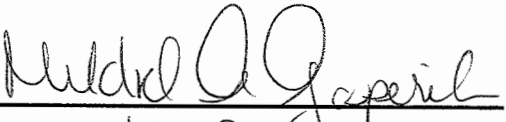
13. Executive session was called by the Chair at 12:26 and returned to regular session at 12:44.

14. Next Meeting Date: July 19th 2024

15. Adjournment at 12:45 by Myhren, Sine Die

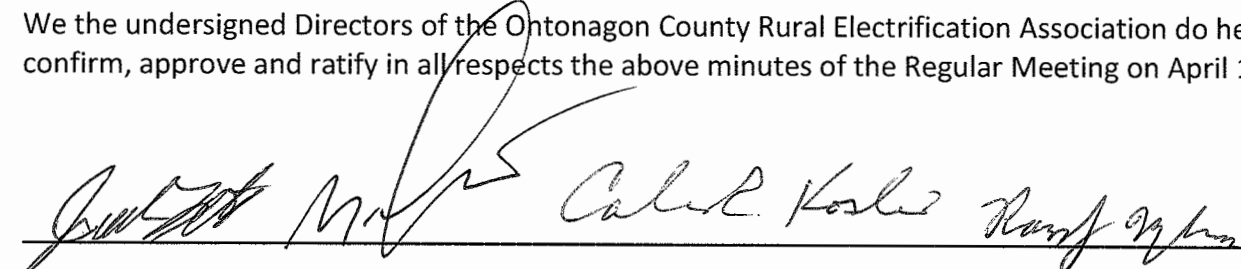


William R. Hodges, President



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 on April 19, 2024.



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



THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

2024 June - Acting General Manager Report

1. Miscellaneous Business Updates
- 1.1 2023 Audit remains open at this time. Working with Nitro Consulting to get Bauman Associates remote access to our financials. Bauman willing to help with some high-level accounting on an hourly basis for as long or short as we need.

1.2 Dallas attended the MECA board meeting held on Thursday, May 30th. A great networking experience with introductions to many electric cooperatives throughout the state.

1.3 SEMCO will be sending over an updated lease agreement where we can begin negotiations for the updated lease amount.

1.4 Mike and Dallas attended the Polaris EV Trail Opening Ride Celebration event at Hamilton’s North Coast Adventures on June 6th. The OCREA provides power to one of the EV chargers on the first-ever all-electric off-road trail system in the nation.

1.5 Working with NISC to migrate our Secure Payments IVR system to their Multi-Channel Messenger (MCM) Payment’s solution. Was pushed back to our June billing cycle.

1.6 Completed the RUS – Form 7 and submitted it to RUS, CFC and CoBank.

1.7 Enrolled in the Rural and Municipal Utility Advanced Cybersecurity Grant and Technical Assistance (RMUC) Program through NRECA.

1.8 Justin and Dallas are working on completing the MPSC – R460.731 Annual Report

1.9 Dallas is working on completing the Public Utility Assessment (PUA) also from the MPSC.
2. Metering AMI Project Update
- 2.1 Current total of 3,957 new vision meters installed.
3. Staffing Updates
- 3.1 Interview set up for the journeyman lineman opening in L’Anse.
4. Times Interest Earned Ratio (TIER) and Margins Update
- 1.1 TIER – Operating

Target Range: >1.1

Actual: 5.65

1.2 TIER – Net

Target Range: >1.25

Actual: 6.27

1.3 TIER – Modified

Target Range: >1.35

Actual: 5.67

1.4 Current Assets to Current Liabilities

Target Range: 1 to 1

Actual: 1.67 to 1

1.5 Margins and Equities to Total Assets

Target Range: > 30%

Actual: 29.44%

1.6 Long-Term Debt to Total Utility Plant

Target Range: > 50%

Actual: 46.44%



Ontonagon REA

THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

2024 June Operations Report

1. Safety

- 1.1 There was 1 accident and zero near misses reported in May.
- 1.2 The MECA Safety Meeting was held on May, 29th. The safety meeting included First Aid/CPR, and review of Accidents/Near Misses
- 1.3 The June MECA Safety Meeting will be held on June 26th.

2. Trucks and Equipment

- 2.1 All trucks and Equipment are currently in working order.

3. Service Interruptions

- 3.1 In the month of May, we had 16 outages with a total duration of 484 Minutes.

4. Vegetation Management

- 4.1 Tree Crew: Mowed 125 spans = 6.25 Miles. Trimmed 38 Spans = 1.9 Miles. Removed 389 Trees.

5. Miscellaneous Items

- 5.1 New services are being completed
- 5.2 All crew worked together to complete a work plan, re-conductor project in the Houghton area.

6. Metering System

- 6.1 Current total of 3,957 new vision meters installed.

7. Maintenance

- 7.1 OCR, Regulator, and Substation Inspections continue each month.

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