

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

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

1. Hodges called the regular meeting to order at 9:32.
  2. Roll Call – Hodges, C Koski, Myhren, Gasperich, P Koski, Gaunt, and Lehto excused. Others Present: CEO Aho, Attorney Greeley, and Tom Sobeck.
  3. **M/S Gaunt/Myhren** to provide information requested by Mike Urbis, during the July member comment session, all in favor, passed.
  4. Member comment session: 1<sup>st</sup> Mike and Cathy Urbis, thanked the board for the documents provided, suggested our vision has been impaired, and submitted another list of questions to be complete for the September meeting. 2<sup>nd</sup> Pat Kitzman was at the session on behalf of ‘my people.’ He asked questions pertaining to ongoing personnel matters. Due to the nature of the matter, no comment or answer was or can be provided.
  5. **M/S Myhren/Gaunt** to approval the agenda, with the correction of an item under other business regarding training held in December of 2023, not 2024, move up our special guest Diana Torola to 10:00 am, and add the MECA Update. All in favor, motion passed.
  6. **M/S C Koski/Gaunt** to approval the Minutes of July 19<sup>th</sup> regular meeting correction of Myhre to Myhren. All in favor, motion passed.
  7. Attorney Reports – Attorney Greeley verified that each of us has read Policy 200-4, Directors Duties, Responsibilities, Standards of Conduct, and Professional Development and asked if we had any questions or discussion point, now was the time. He also asked if we had any comments or discussion regarding 1000-1 Policy on Privacy, Confidentiality, Conflict of Interest.
  8. Operations’ Report was provided by Justin Sironen. Update to the report include both pieces of equipment in item 2, are back up and running. Gasperich asked where the KNG line was that is being repolled and reconstructed is on the North end.
  9. CEO Report is attached.
  10. Financial Report
    - a) Financial Statements were presented for period ended 06/30/2024;
    - b) PSCR Over/Under Collection report was presented for period ended 07/31/2024;
    - c) RUS Form 219, ‘none for this month’;
    - d) List of Bills – were presented for **July 2024**
- M/S Myhren/Gaunt** To approve the reports as presented and discussed. All in favor, motion passed.
11. Business Requiring Board Action
    - a) Board Signatures for July 19, 2024 Regular Meeting Minutes
  12. Other Business
    - a) Diana Torola Youth Tour Presentation – Provided an excellent synopsis of her trip to Washington DC with the Michigan contingent of REA Cooperatives to the nationwide event. She will be our guest speaker at the Annual Meeting in June of 2025.
    - b) Strategic Planning – Hodges lead the Financial Review discussion from the training in December 2023. The items listed include developing a long-range rate plan, COMPLETE with rate increase implemented in February, strategic planning, developing long range goals and understanding capital credits are the remainder of the items on the list.
    - c) RESCO Update Rural Electric Supply Cooperative has been contacted to find out pricing and services offered as it is also a cooperative.
    - d) IT Vendor – RFP Update was provided in the CEO report, (out for RFP)
    - e) Board Policy Update: 200-4 Director Duties, Responsibilities, Standards of Conduct, and Professional Development along with 1000-1, Policy on Privacy, Confidentiality, Conflict of Interest, Directors acknowledged the review of these policies by endorsing them.
    - f) MECA Special meeting – Craig Bohr is retiring in March of 2025. A national search has begun. A Management and leadership program will be started through MECA. Dallas and Justin are both encouraged to attend. (The NRECA training approved in July, was already full when CEO AHO called after the board approval.)

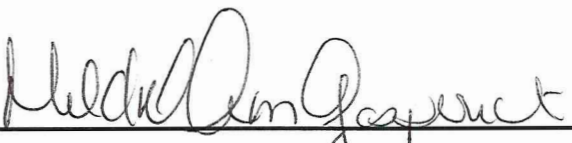
13. Around the Table Discussion – Gasperich was the only director with comments

Gasperich – Expressed she has heard from members that they are frustrated with the increase in our rates. Her most often asked question is the \$30.00 service fee. It is not a new fee. It is to maintain our existing electrical infrastructure. In the past, the fee was \$25.00. It is an increase of \$5.00 per month. She also wanted to verify her attendance at the Director Education class, Financial Decision Making in Eau Claire in October. It was reiterated to her by a **Motion/Second by Gaunt/Myhren** to go to the class and complete your certification. All in favor, motion passed.

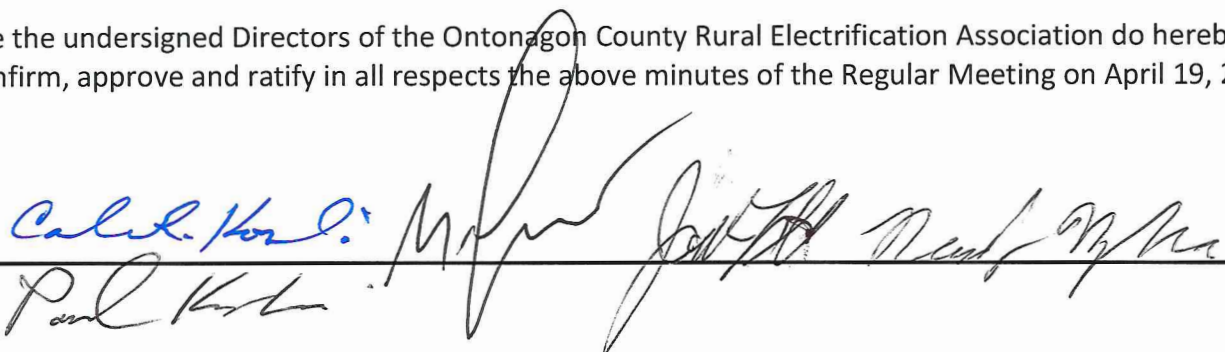
14. Executive Session was called by Hodges at 12:40 and returned at 12:58.
15. Next Meeting Date: September 20, 2024
16. Adjournment by Myhren at 12:58 Sine Die

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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 on April 19, 2024.

  
Paul Koster, Myhren, Gaunt

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

AGENDA  
August 16, 2024 9:30 A.M.

1. Call regular meeting to order
2. Roll Call
3. Member comment session
4. Approval of the Agenda
5. Approve Minutes of the July 19, Regular Board Meeting
6. Attorney Report
7. Operations Report
8. CEO Report
9. Financial Report
  - a) Financial Statements for period ended 6/30/2024
  - b) PSCR Over/Under Collection for period ended 07/31/2024
  - c) List of Bills – July 2024
10. Business Requiring Board Action
  - a) Board Signatures for July 19, Regular Meeting Minutes
11. Other Business
  - a) Diana Torola – Youth Tour Presentation
  - b) Strategic Planning- Financial Review from Dec 24 Training
  - c) RESCO Update
  - d) IT Vendor – RFP Update
  - e) Board Policy Updates: 200-4 & 1000-1
12. Around the Table Discussion
13. Executive Session
14. Next Meeting Date: July 19, 2024
15. Adjournment



Ontonagon REA

## THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

### CEO Report – August 2024

#### 1. Miscellaneous Business Updates

- 1.1 Completed 2023 Workers' Compensation Audit for Federated Insurance
- 1.2 Dallas and Justin are investigating using Verizon Wireless as a potential upgrade from our current GPS fleet management provider.
- 1.3 Scheduled a preliminary conference with Pat Wheeler of Utility Systems Engineering to put together the scope of work for the load Forecast and new construction work plan.
- 1.4 In collaboration with Bauman Associates IT Provider, we were able to find a solution to the remote desktop issue. The auditors will be working remotely for the next few weeks to complete the 2023 audit.
- 1.5 Discovery calls have been scheduled with IT Voice, 906 Technologies, Lasco and DS Tech for a new IT service provider.
- 1.6 Tom completed an initial assessment and found some areas of initial emphasis. Accounting and financial reporting along with the (PSCR) rate are in need of review. Bauman Associates are willing to review current operations and provide a scope of work and estimate of costs.

#### 2. Staffing Updates

- 2.1 With guidance from consultant Sobeck three candidates were selected for interviews for the Administrative Assistant position.
- 2.2 Interviews were completed and an offer was made to one of the candidates on 8/12/2024 with a potential start date of 9/3/2024.

#### 3. Times Interest Earned Ratio (TIER) and Margins Update

1.1 TIER – Operating	Target Range: >1.1	Actual: 5.52
1.2 TIER – Net	Target Range: >1.25	Actual: 6.18
1.3 TIER – Modified	Target Range: >1.35	Actual: 5.57
1.4 Current Assets to Current Liabilities	Target Range: 1 to 1	Actual: 1.57 to 1
1.5 Margins and Equities to Total Assets	Target Range: > 30%	Actual: 29.37%
1.6 Long-Term Debt to Total Utility Plant	Target Range: > 50%	Actual: 45.86%

500 J.K. Paul Street - Ontonagon, Michigan 49953 - (906) 884-4151

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## THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

### 2024 August Operations Report

#### 1. Safety

- 1.1 There were 0 accidents and zero near misses reported in July.
- 1.2 The MECA Safety Meeting was held on June 27th. The safety meeting included First Aid and CPR, and a review of Accidents/Near Misses with other power companies around the country
- 1.3 The August MECA Safety Meeting will be held on August 28th.

#### 2. Trucks and Equipment

- 2.1 Digger #10 had boom Disassembled and maintenance was performed.
- 2.2 Vermeer cable plow 47 got a new turbo installed and is back on the R.O.W.

#### 3. Service Interruptions

- 3.1 In the month of July, we had 28 outages with a total duration of 571 minutes.

#### 4. Vegetation Management

- 4.1 Tree Crew: Mowed 148 spans Trimmed 18 Spans. Removed 517 Trees.

#### 5. Miscellaneous Items

- 5.1 Crews are working on completing new services.
- 5.2 KNG- Line being re-poled and reconducted
- 5.3 New hire Brandon Scroggs started in L'Anse 7/22

#### Metering System

- 5.4 Current total of 3,997 new vision meters installed. +18 from June
- 5.4 New meter pole installed in Hancock area

#### 6. Maintenance

- 6.1 OCR, Regulator, and Substation Inspections continue each month.
- 6.2 Karz pole inspections beginning in near future.