

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

Minutes
October 18, 2024, 9:30 A.M.

1. Hodges called the regular meeting to order at 9:38, due to technical difficulties.
2. Roll Call – Hodges, Cal Koski, Myhren, Gasperich, Paul Koski, Gaunt, Lehto. Others Present: Manager Aho, Justin Sironen, Kelsey Preiss, Consultant Tom Sobeck and Attorney Greeley both participated via teams.
3. Member comment session – Floyd Rowley and Mike Urbis spoke.
4. M/S Lehto/Gaunt to approval the agenda with the following changes, adding and executive session prior to the round table, moving up item 11 a) Border States review to follow the approval of the minutes, all in favor, motion passed.
5. M/S Gaunt/Myhren to approval the Minutes of September 20, with the following correction, at the bottom, where the Directors sign, the date needs to be changed from April 19, to September 20, all in favor, motion passed.
6. Other Business 11a, Bill Miller from Border States gave a presentation as to what and how Border States works with REA. He gave background history of the company, the current service area, other customers and how they work with Pat Wheeler, our Engineer to provide the equipment we need to keep the power on. We are currently under contract with Border States for another three years.
7. Attorney Reports He continues to work on the policies.
8. Operations' Report attached. Vision meter installs will continue in Misery Bay area and start for the Boston District soon.
9. CEO Report attached. As the financials are verified and the vision meters brought on line, the Times Interest Earned Ratio (TIER) rates and Margins will reflect accurately. The support from Bollinger, Segars, Gilbert and Moss LLP has been exceptional. The time frame on the initial contract may not be necessary. A request to keep them available to assist with month and year-end is desired to help the new staff through the process. A site visit was conducted with a customer who was concerned with the vegetation crew and the work on her property. This customer also has transmission lines that traverse her property. She expressed her concern with the way the transmission lines, not owned by us, were maintained and then understood we have no control over those actions. She then complimented our brushing crew for the work they did and how they stayed within the right of way on her property.
10. Financial Report
 - a) Financial Statements for period ended 08/31/2024
 - b) PSCR Over/Under Collection for period ended 08/30/2024
 - c) List of Bills – **September 2024**

M/S Myhren/Gaunt to approve the reports of the Attorney, Operation, CEO and Financial as presented and discussed, all in favor, motion passed.

11. Business Requiring Board Action
 - a. Board Signatures for September 20, regular meeting minutes.
12. Other Business
 - a. Border States moved to item six.
 - b. MECA – EWR Update – The search is in full swing for the replacement of Craig Borr. They have many interested and capable applicants. Energy Waste Reduction has formed a committee to review proposals from two vendors who would work through MECA to provide the management plan, letter of commitment and provide a fee for each participating cooperative.
13. Executive session called at 11:00, returned to regular session at 11:37
14. Business produced from Executive Session **M/S Gaunt/Lehto**, to approve the confidential agreement discussed during the executive session. Roll Call Vote – Hodges, yea, C Koski, abstain, Myhren, yea, Gasperich, yea, P Koski, yea, Gaunt, yea, Lehto, yea, motion passed.
15. Around the Table Discussion

Myhren asked for more information on how the three man vegetation management or brushing crew operates regarding safety and functionality.

Gaunt- I've worked with many boards that would have not stayed together after going through what we have experienced. I have the utmost respect for all of you.

C. Koski-nothing

P Koski- nothing

Gasperich- Restated her appreciation of the board, staff, Tom, Pat and others for all of their hard work and reminding us how effective an excellent team can work together.

Hodges- I may say it every time, it is so important for each of you to understand. I am very appreciative of each and every one of you and the advances we are making! Good job!

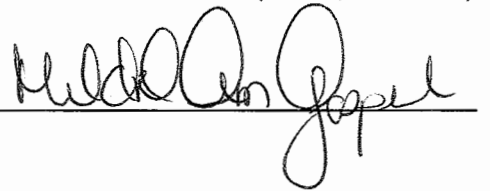
16. Next Meeting Date: November 8, 2024

17. Adjournment Myhren at 11:50 Sine Die

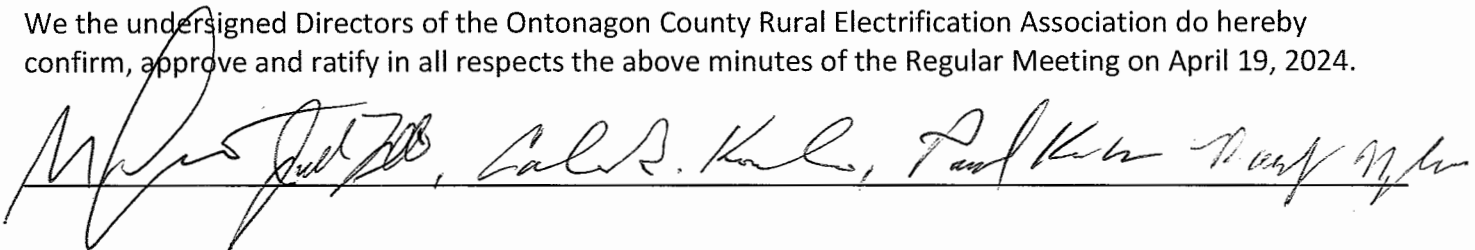
William Hodges, President



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 on April 19, 2024.



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
October 18, 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 September 20, Regular Board Meeting
6. Attorney Report
7. Operations Report
8. CEO Report
9. Financial Report
 - a) Financial Statements for period ended 8/31/2024
 - b) PSCR Over/Under Collection for period ended 9/31/2024
 - c) List of Bills – September 2024
10. Business Requiring Board Action
 - a) Board Signatures for September 20, Regular Meeting Minutes
11. Other Business
 - a) Border States - Review
 - b) MECA – EWR Update
12. Around the Table Discussion
13. Tentative Next Meeting Date: November 15, 2024
14. Adjournment



Ontonagon REA

THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

CEO Report – October 2024

1. Miscellaneous Business Updates

- 1.1 Dallas and Tom are working on an updated employee handbook to compliment the union contract.
- 1.2 Attended an online meeting with Zach Anderson of Wolverine Power to discuss power supply costs, future load forecast surveys, and appliance saturation surveys.
- 1.3 The transition from Nitro Consulting to LASCO has begun with a target complete date of 10/31/2024.
- 1.4 Met with Brent Behn from CoBank to review loan processes and account review.
- 1.5 Reviewed 2025 benefit summary with Brian Miller of Superior Health and Life.
- 1.6 Preparing for fall work order inspections with Pat Wheeler. Will review March through August work orders and begin developing an amendment to the current work plan.
- 1.7 Meeting with NISC account manager Brian Farmer to discuss new updates/services to improve the cooperative.
- 1.8 Developing an O&M contract with the Michigan Tech Ford Center.
- 1.9 Reviewing and updating material billing rates.

2. Staffing Updates

- 2.1 Adam Hawkins completed his first year of schooling for the Joint Michigan Apprentices Program (JMAP)

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

| | | |
|---|----------------------|-------------------|
| 1.1 TIER – Operating | Target Range: >1.1 | Actual: 9.38 |
| 1.2 TIER – Net | Target Range: >1.25 | Actual: 9.95 |
| 1.3 TIER – Modified | Target Range: >1.35 | Actual: 9.34 |
| 1.4 Current Assets to Current Liabilities | Target Range: 1 to 1 | Actual: 1.85 to 1 |
| 1.5 Margins and Equities to Total Assets | Target Range: > 30% | Actual: 30.93% |
| 1.6 Long-Term Debt to Total Utility Plant | Target Range: > 50% | Actual: 45.21% |

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

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Ontonagon REA

THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

2024 October Operations Report

1. Safety

- 1.1 There were 0 accidents and zero near misses reported in September.
- 1.2 The MECA Safety Meeting was held on 25th. The safety meeting included Hazard Recognition and Fork truck safety.
- 1.3 The October MECA Safety Meeting will be held on 23rd.
- 1.4 Crew Observations were conducted October 9th with the tree crew and Houghton crew.

2. Trucks and Equipment

- 2.1 Forestry Mulcher #50 went to Vermeer for electrical issue. Back on R.O.W.
- 2.2 All Fleet/equipment is currently in working order with no major repairs preformed in September.

3. Service Interruptions

- 3.1 In the month of September, we had 32 outages with a total duration of 821 minutes.

4. Vegetation Management

- 4.1 Tree Crew: Mowed 86 spans Trimmed 14 Spans. Completed 36 member reported tree tickets.

5. Miscellaneous Items

- 5.1 Karcz Utility was on the Lake Mine system inspecting overhead and underground lines.
- 5.2 Current total of 4,024 new vision meters installed. +15 from August.

6. Maintenance

- 6.1 OCR, Regulator, and Substation Inspections continue each month.
- 6.2 Crews are working on work plan jobs/line upgrades in between new services.

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