

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

MINUTES
April 19, 2024 9:30 A.M.

1. President Hodges called the regular meeting to order at 9:31.
2. Roll Call – Bill Hodges, Calvin Koski, Randy Myhren, Ann Gasperich, Jack Lehto and Mike Gaunt

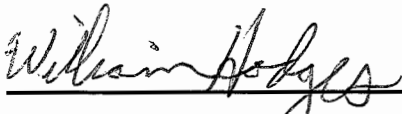
Others Present: Dallas Aho and Attorney Pat Greeley, via zoom.

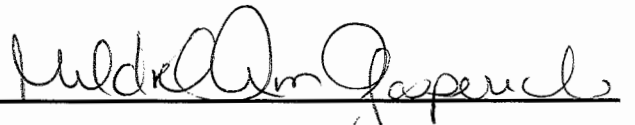
Guests present via zoom for their portion of the meeting Tom Sobeck from Presque Isle Electric and Gas, Zack Anderson & Eric Baker from Wolverine.

3. Member comment session – None
4. **M/S Gaunt/Lehto** to approve the agenda, with the following changes – allow Tom Sobeck to speak at 9:40 AM, no matter where we are on the agenda, the two from Wolverine via zoom at 10:30 AM, to add item #9 and #10 under other business for Eugene’s letter of resignation and Status of General Manager Position, all in favor, motion passed.
5. **M/S Lehto/Gaunt** to approve the minutes of the March 15, Regular Board Meeting
6. Attorney Report –Pat provided an update as to the pole on Hermits Cove Road, will draft letters regarding an employee temporarily or permanently having their CDL suspended, and provided pros and cons to a pre-employment physical/drug test.
7. The Operations Report was presented. There are no updates. (see attached)
8. The Metering Update was presented. There are no updates. (see attached)
9. Administrative Assistants’ Report was presented. A lineman’s appreciation lunch was held on April 18th, and Semco is looking to renew the lease on the L’Anse Garage.
10. Financial Report
 1. Financial Statements for period ended 2/29/2024
 2. PSCR Over/Under Collection for period ended 03/31/2024
 3. RUS Form 219 Inventory of Work Orders for period ended 1/31/2024 Inventory #0124-1 for \$107,214.52
 4. List of Bills – March 2024

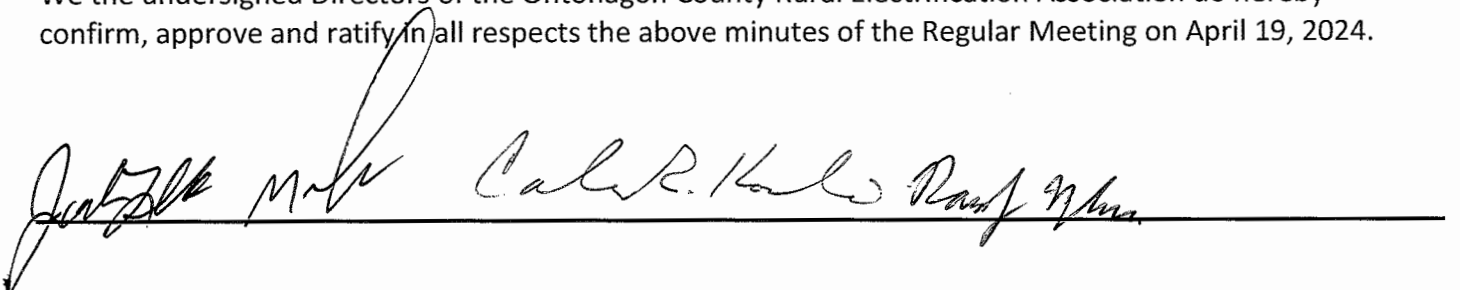
M/S Myhren/Gaunt to accept the reports and pay the bills as presented, discussion, all in favor to accept and pay the bills, passed.
11. Business Requiring Board Action
 1. Board Signatures for March 15, 2024
12. Other Business
 1. MECA Symposium Update – A brief update was provided. The speakers were top notch and the networking and connections are incredible.
 2. Staffing Updates – Justin Sironen was promoted to Line Superintendent and will begin on Monday April 22, 2024.
 3. MECA Dues Proposal -- Tom Sobeck spoke to the changes in how MECA Dues are charged. They are proposing to go with the same base charge and from KW sold to number of meters. MECA will vote on the change at the May meeting.
 4. **M/S Gaunt/Lehto** to Acknowledge and accept the District #2 Director Resignation effective March 25, 2024, all in favor, motion passed.
 5. Wolverine Power Contract Presentation – Zack Anderson & Eric Baker – they spoke to the current contract expiring, and presented two proposals for new contracts, a five- and ten-year option. They also spoke to the reopening of the Palisades nuclear power plant and the working relationship with Wolverine, Holtec and Hoosier Energy for purchase power. The tentative on-line time frame is fall 2025 to spring 2026.
 6. Michigan Electric Cooperative Engineering and Operations Association (MECOA) Annual Conference on May 8 & 9, **M/S Gasperich/Lehto** recommend the training be attended by Aho and Sironen.
 7. Tom Sobeck – Presque Isle Electric and Gas Coops offered his services for consulting. He is retiring from PIE&G on June 30th and will be available.

8. **M/S Gaunt/Myhren** to outsource our accounting with Bauman Associates, Ltd., all in favor, motion passed.
9. **M/S Gaunt/Koski** to receive with regret and place on file the letter of resignation from Eugene Soumis, all in favor, motion passed.
10. **M/S Myhren/Gaunt** have Dallas Aho as the acting general manager of the Cooperative, with increased benefits while he is functioning in this capacity, roll call vote, Myhren, Yes, Gaunt, Yes, Koski, Yes, Lehto, Yes, Hodges, Yes, Gasperich, Yes, all in favor, motion carried.
13. Around the Table Discussion – all quiet.
14. Executive Session called by the President at 12:17.
Returned to regular session at 12:40. No action taken
15. Next Meeting Date: May 17, 2024
16. Adjournment by Myhren at 12:41, 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.





THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

2023 April Administrative Assistant Report

1. Miscellaneous Business Updates

- 1.1 Dallas/Bill have been in contact with Bauman Associates to provide outsourced accounting services to help with the 2023 audit.
- 1.2 Began US Bank Transmission Testing to expedite credit card expense uploads and tracking.
- 1.3 Eugene/Dallas gathered information and created a list of duties for an interim CEO transition plan.
- 1.4 The crews have been completing annual DOT Inspections on all required fleet vehicles.
- 1.5 Implementing bank reconciliation process with NISC for financials.
- 1.6 Completed standard financials and added disclaimer for May/June Issue of Country Lines Magazine.
- 1.7 Nominating Petitions for District 4 and District 7 have been printed and passed along to Calvin and Bill.
- 1.8 Ann/Justin completed the Special Land Use Application and Letter for Keweenaw County Planning Commission.
- 1.9 Dallas/Justin are working on compiling a list of vehicles for sale and will be listing them for sale in the upcoming months.
- 1.10 Beginning renewal discussions for SEMCO lease at L'Anse location.

2. Metering AMI Project Update

- 2.1 Currently 3,572 New Vision Meters are installed. The new Metering System is approximately 72% complete, based on 4,964 Active Meters.
- 2.2 Road restrictions remain in effect and will delay the meter completion date until May.

3. Staffing Updates

- 3.1 Alex Watson started training with Fay for the Billing Clerk position on April 8, 2024. Fay is planning on retiring in July of 2024 and will be cross training Alex for 4 months.
- 3.2 Interviews for the Operations Manager are scheduled for April 17, 2024. Calvin, Mike and Dallas will be conducting the interviews.
- 3.3 Submitted JMAP Program Registration and Apprenticeship Agreement for Adam Hawkins.

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

- | | | |
|---|----------------------|-------------------|
| 1.1 TIER – Operating | Target Range: >1.1 | Actual: -6.76 |
| 1.2 TIER – Net | Target Range: >1.25 | Actual: -6.14 |
| 1.3 TIER – Modified | Target Range: >1.35 | Actual: -6.75 |
| 1.4 Current Assets to Current Liabilities | Target Range: 1 to 1 | Actual: 0.60 to 1 |
| 1.5 Margins and Equities to Total Assets | Target Range: > 30% | Actual: 27.03% |
| 1.6 Long-Term Debt to Total Utility Plant | Target Range: > 50% | Actual: 46.53% |

Checking with NISC to determine if TIER Ratios are reset with the new Fiscal year.

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

This institution is an equal opportunity provider and employer.



THE ONTONAGON COUNTY RURAL ELECTRIFICATION ASSOCIATION

2024 April Operations Report

1. Safety

- 1.1 There were zero accidents and zero near misses reported in March.
- 1.2 The MECA Safety Meeting was held on March 13th. We reviewed the SPCC plan.
- 1.3 The April MECA Safety Meeting will be held on April 24, 2024.

2. Trucks and Equipment

- 2.1 Tree Trimming Crew #1 Utility Truck Transmission Failed in December. Repairs have been completed and the truck is back in service.
- 2.2 Tree Trimming Crew #2 Vermeer Mower track and frame parts failed. The repairs have been completed and the Mower is back in operation.
- 2.3 Dallas and Justin are working on compiling a list of REA vehicles to list for sale. Hoping to have them listed for bid in the upcoming months.
- 2.4 Annual trailer and vehicle MDOT are being completed.

3. Service Interruptions

- 3.1 In the month of December, we had 1256 service interruptions with a total duration of 675 Minutes. This computes to 7.6 minutes/member for the month, based on a total of 5,125 members. The majority of these minutes was due to a planned outage in the L'Anse area on February 17, for ATC Transmission line repairs.

4. Vegetation Management

- 4.1 Tree Crew # 1 Mowed 85 spans = 4.25 Miles. Trimmed 21 Spans = 1.05 Miles. Removed 454 Trees.
- 4.2 Tree Crew # 2 – Waiting on information from lead tree trimmer. Did not give him enough time to compile numbers.
- 4.3 Crew 1 is continuing work in the Trout Creek area Crew 2 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 are still currently in effect 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.

Metering System

- 5.3 Current total of 3573 new vision meters installed.
- 5.4 24 collectors are currently online.

6. Maintenance

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

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

This institution is an equal opportunity provider and employer.