

Rachel Johnson (00:15):

Welcome

Rachel Johnson (00:15):

Back to Co-op Energy Talk. I'm your host, Rachel Johnson, and you are listening to the board meeting brief for the board meeting on Monday, March 23rd. There are five items we discussed at this board meeting that I wanted to share with you this month. First, we had our metering supervisor, Jason, come in and give an update on our meter replacement project. We've talked a lot about this. This has been going on for years. We are excited because we're almost done, like done within the next month or two. Um, so that's, that's just exciting milestone to get to after years of investment on our members' behalf. A couple quick reminders that, um, Jason also talked about with the board. This new metering system gives us a lot of new important functionality to improve our service to you. One of those pieces of functionality is real time outage reporting.

Rachel Johnson (00:55):

The old metering system couldn't let us know when it didn't have power, but the new metering system will, and that means we'll know sooner, which means we can deploy our crews a little faster out to get your power restored. In addition to that, the new metering system has a lot more data that it's collecting and that data will be available to you in your Smart Hub app. So it allows you to have just more information about how you're using power in your home and what you could potentially do to save money by changing how you use power in your home, if that's what you wanna do. We will use that data to, uh, set up things like maybe a demand response program or to make sure that the way our costs are incurred is reflected in the way that we recover costs through rates. So lots of exciting things that we'll be able to build on top of that metering system.

Rachel Johnson (01:33):

And we're, um, very grateful to Jason and his team for the work they've done to get us here. The second thing that we talked about in the board meeting was just a kind of quick recap and overview of how our system performed during the recent winter weather. Uh, those of you who are up here know exactly what I'm talking about, but it was that little storm that moved through kind of Sunday through Tuesday in our system, uh, earlier in March. So just a, a couple of highlights from that for you. Um, we had about 1600 members who were affected by that storm, primarily in the southern part of our service territory. Some of them were actually affected twice 'cause it was almost two storms back to back. It started with an icing event. And just for those who don't work in the industry, ICE is one of the most complex and devastating things for an electric system.

Rachel Johnson (02:14):

So we're really proud of the fact that we actually had so few outages given the amount of ice loading on our system. Um, so the first event was an icing event followed immediately by a high wind event, which unfortunately did knock out power again to a few people we'd already restored. We had 32 crews working on our system throughout that event. They, uh, repaired five broken poles and had everybody back on within, uh, two days. So it was just a, a, a really well managed outage event on our system. Um, we put significant time into preparing for that. And so, uh, it was, it was great to share the successes there with our board and get their feedback and also thank them for the resources they allow us to invest on your behalf. The third thing that we talked about really briefly at this board meeting is fema.

Rachel Johnson (02:52):

So for those of you who are, uh, loyal listeners, you know, have been talking about FEMA for a while, both in the context of our sister co-ops to the north and northeast of us who were experienced a significant ice storm last year, but also in the context of FEMA reform. A significant thing happened in the last few weeks. The FEMA administration approved utility funding for that ice storm that happened a year ago. And that means that our sister co-ops at Great Lakes and Presque will eventually receive some reimbursement for their storm cost. And this is important and significant for them because they are collectively sitting on over \$300 million in debt in terms of that storm restoration effort. We don't know yet exactly how much money will flow to them, and we do not know how long it will take to flow to them, but we're really, really grateful for all of the work that has gone into helping to make sure those dollars flow to Michigan and help support co-op served communities as they rec continue to recover from the ice storm last spring.

Rachel Johnson ([03:46](#)):

The fourth thing that we talked about this month that we've also been talking about for a while is our new headquarter facilities, uh, project. So a couple of important milestones have been met since the last board meeting. The most important of which is that we finally closed on the 40 acres of land on Reny School Road. So congratulations. Cherry land members. You own 40 acres of land on Reny School Road. That will be the future home of Cherry Land Electric Cooperative. This is a project we have been working on for years and years and years. It's exciting to finally be meeting some important milestones this month. We are working through the township site approval process, and so certainly we'll update you on that at next month's board meeting brief. But, uh, for now we're celebrating the success of closing on the land. And then the last thing that I wanted to share with you that the board discussed this month is related to the co-ops financials and two things in that space.

Rachel Johnson ([04:32](#)):

First, just kind of a quick look at January, we had a, a almost a wild January. Those of you're here will also remember this. It was really, really cold. Uh, so we did have quite a bit of electric sales. Keep in mind, our sales are primarily weather driven. When it's really cold, when it's really hot, people use more electricity to keep their homes safe and comfortable. So, uh, more revenue in January than what we're used to, but also increasingly higher power bills than we're used to. So keep in mind, we purchased power on your behalf and then we sell that power to you. The power supply markets were just incredibly, incredibly hot, and by hot I mean expensive in January. And so it was, uh, it was interesting to be able to look at our financials and see that we're still in such strong financial health despite those expenses in January.

Rachel Johnson ([05:12](#)):

And I think it shows that the co-op continues to be in a really strong financial position despite some of the pressures coming our way. And then the second financial thing that I wanted to just, uh, highlight here and, and more to come on this in May for you, but, uh, the board did receive the report from our 2025 audit. We did have a clean and unmodified audit report, which is great, good indication that our controls are in place and that we're managing your resources appropriately. So in the may issue of country lines, you'll get your annual report, which will include those full 2025 audited financials. But a few highlights when you get that, just wanna uh, point out to you, we had an excellent year as it pertained to operating cash flow in 2025. We also ended the year with healthy margins and industry leading equity. And all of these things are really, really important again as we navigate the opportunities and challenges in front of us as it pertains to managing cost on your behalf. So lots of good news in those audited financials. The board did, uh, accept those and you will see them in May. Our next board meeting is Monday, April 20th. We will start as always with member input at 9:00 AM So feel free to swing by our office if you have any feedback from the board. Join us next time for more co-op Energy Talk.

