Tri-County Electric Cooperative
Regular Meeting of the Board of Directors **Monday, August 24, 2026**

1. **Invocation:** Director Lord gave the invocation.

2. **Member Comment:** There were no members present to comment.

3. **Call to Order:** Chairman Luke Pohl called the regular board meeting of the Board of Directors of Tri-County Electric Cooperative to order at 9:00 a.m. on August 24, 2026, at the Portland office, Portland, Michigan.

   Attendance: Board members in attendance were Luke Pohl, Shirley Sprague, John Lord, Jim Stebbins, Jake Borton, Theresa Sopocy, and Dave Livermore. Staff in attendance were President/CEO Chris O'Neill, Tom Manting, Angel McCliggott, Sam Campbell, Michelle Huhn, Charly Markwart, Neal Swain, Kacey Thelen, Missy Robson, Matt Stambaugh, Ryan Smith, and Corporate Counsel Dan Templin. Guest was Accounting Supervisor Anna May.

4. **Review and Approval of Agenda:** Chairman Pohl reviewed the proposed agenda. Moved by Director Stebbins, and duly supported, to accept the agenda as presented. Motion carried.

5. **Upcoming Meetings and Events:** The upcoming meetings and events were provided on the agenda.

6. **Consent Items:** Chairman Pohl asked whether there were any changes to, or discussion of, the Consent Items. Moved by Director Lord, and duly supported, to accept the July 2026 Consent Items as presented and discussed. Motion carried.

7. **Safety and Security Report:**

   7.1 Safety Report: Directors and staff reviewed the written report for July, listing public and employee incidents, along with safety training programs. Chairman Pohl expressed the profound concern of the Board of Directors regarding the recent safety incident involving an electrical contact. He formally requested a comprehensive review of the occurrence and the immediate operational response.

   Mr. Smith presented an in-depth review of the timeline and circumstances surrounding the incident, emphasizing that all standard operating procedures were strictly adhered to before and following the occurrence.

   Ms. McCliggott assured the Board that a comprehensive administrative review of the incident is in progress. She indicated that the follow-up measures regarding human resources and safety protocols are currently being established and that a final report on these next steps will be presented to the Board next month.

   7.2 Physical and Cybersecurity Report: Regarding physical security, Mr. Smith briefed the Board on an asset loss incident, noting that copper wire was stolen from poles at a contractor work site. The financial impact of the theft is estimated at approximately $380.

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A police report was filed, but since there were no cameras in the area, it is unlikely that the suspects will be identified.

On the cybersecurity side, Mr. Manting stated that six employees clicked a link in a simulated email phishing attempt, and one employee replied to a simulated phisher. All seven were enrolled in remedial training.

8. Board Governance:

8.1 Guest Director to October Wolverine Board Meeting*: Chairman Pohl asked which director would like to attend the October Wolverine Board Meeting as a guest. Director Stebbins expressed that he would like to attend. Director Sprague moved, and was duly supported, for Director Stebbins to attend October's Wolverine Board Meeting. Motion carried.

8.2 Proposed 2027 Board Meeting Dates*: Mr. O'Neill provided proposed 2027 Board Meeting dates on the traditional fourth Mondays of the month. After discussion, the December date was requested to move from December 27 up a week to December 20, and the dates were approved, as revised

8.3 Spartan Board Director Recommendation*: Moved by Director Sprague, and duly supported, to recommend the reappoint of Director Sopocy as HomeWorks' representative on the Spartan Board. Motion carried.

8.4 CFC Mail-in Ballot*: Mr. O'Neill stated the CFC mail-in director election ballot would need to be completed and mailed in. Director Sprague volunteered to complete and mail the form. Motioned by Director Borton and duly supported, for Director Sprague to complete the mail-in ballot for the CFC election. Motion carried.

8.5 Board Policy 104 - Committees of the Board of Directors*: Mr. O'Neill communicated the revisions to Board Policy 104. Motioned by Director Sprague, and duly supported, to accept the policy as revised. Motion carried.

8.6 Board Committee Assignments*: Chairman Pohl stated that after the annual meeting and reorganizational meeting, the Board needs to decide on the committee assignments for the next year. Director Sprague recommended to continue with the current audit committee, comprised of the Board Chair, Vice Chair, and Secretary-Treasurer, the current policy/bylaw committee, comprised of Director Stebbins and Director Sprague, and the current redistricting committee of Director Sopocy, Director Borton, and Chairman Pohl. Motion by Director Lord, and duly supported, to remain with the current committee members. Motion carried.

9. Financial Report:

9.1 July 2026 Financials: Ms. Campbell reviewed the July 2026 year-to-date TCEC statements and operating statistics. Gross margins are favorable to budget due to increased sales and lower than budgeted power costs. Operating expense was unfavorable to budget mainly due to December 2025 storm expenses and multiple small windstorms. Fixed expense was favorable to budget, resulting in an Operating Margin of $2,012,389,

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which is $13,863 favorable to budget. Non-Operating Margins were favorable to budget due to a gain on the sale of two trucks, a larger than expected capital credit allocation from Federated and RESCO, and increased interest income. This resulted in Total Margins being unfavorable to budget by $88,641. TIER is forecasting to be 2.86 for 2026, which is unfavorable to budget; however, Total Margins are forecasted to be favorable to budget by $211,129.

Ms. Campbell presented the HomeWorks Connect July 2026 financial statements and operating statistics. She noted the fiber business is currently 112 fiber subscribers unfavorable to budget and phone subscribers are 13 unfavorable to budget year to date. Overall, we are showing a net profit of $408,771, which is $233,933 favorable to budget. This is driven by lower than budget Gross Profit, higher Operating Expenses, and lower depreciation and interest expense. HomeWorks Connect is forecasting to be $240,884 favorable to budget for 2026. Ms. Campbell presented a year-to-date update on capital expenditures, which is forecasting to be in line with the authorized capital spend amount.

10. **Accounting Department Succession Planning*:** Ms. McCliggott presented a request for approval of a new full-time Accounting Clerk I position and a corresponding amendment to the 2026 TCEC budget. She stated the primary justifications for this position are to facilitate successful succession planning within the accounting department, provide necessary support for recent changes in job duties, and allow for a complete one-year cycle for comprehensive training and integration of the new employee. Ms. McCliggott provided the financial implications of this request with a proposed effective date of October 1, 2026. The total budget impact for the 2026 fiscal year is projected to be $14,000 and for the 2027 fiscal year, the position is projected to have a minimum salary of $60,000, plus the cost of benefits. Moved by Director Sopocy, and duly supported, to add an Accounting Clerk 1 position and make the total adjustment of $14,000 to the HomeWorks Tri-County Electric 2026 budget. Motion carried.

11. **Mobile Phone Service Opportunity:** Mr. Manting presented a potential strategic proposal regarding a partnership with National Rural Telecommunications Cooperative (NRTC) to offer cellular telephone service to internet subscribers. The service would operate as a Mobile Virtual Network Operator (MVNO) and be marketed under the HomeWorks Connect brand. He emphasized that while the service would carry the HomeWorks Connect branding, all device financing, shipping, and dedicated customer support would be managed seamlessly by NRTC.

Mr. Manting noted that the program is designed to be budget-neutral while carrying minimal administrative burden for the cooperative. HomeWorks would generate a margin ranging from $4-$14 per active line, depending on the subscribers chosen plan. Furthermore, NRTC is offering a $200 credit for each new line activated during the first year of the program. Mr. Manting mentioned that these credits can be used to offset marketing expenses or passed directly to the subscriber as an incentive.

In conclusion, Mr. Manting outlined the primary strategic drivers for pursuing this initiative and highlighted that offering a bundled cellular and broadband package achieves competitive parity with large corporate providers and serves as a proven strategy for increasing overall subscriber retention and loyalty. Internally, adopting this platform

would significantly reduce the administrative burden currently associated with managing the cooperative's 93 employee cell phone lines, and the cooperative's 74 corporate lines could potentially be transitioned to this new platform, as well. Mr. Manting stated that management would continue to explore this opportunity and potentially bring a formal proposal to the Board at an upcoming meeting.

Chairman Pohl called for a recess at 10:26 a.m. The meeting resumed at 10:38 a.m.

12. **City of Portland Broadband Project Deliverables:** Ms. Campbell and Mr. Stambaugh presented an update on the City of Portland broadband project that began in 2023. Total project cost came in $1.5 million higher than the estimated project cost. This was mainly driven by the lower-than-expected City of Portland-owned conduit usage, which resulted in 23% utilization versus the estimated 50% in the project cost estimate. The increased capital outlay changed the return on investment for the project to 17 years instead of the projected 14 years. The project has met and surpassed target subscriber take rates and has led to more opportunities for growth. Since this was the first dense area of construction, there was significant skill development for staff in business development, technical skills, and financial analysis that should prove valuable in future projects.

13. **BEAD Update:** Ms. Campbell and Mr. Manting presented an update on the BEAD project. They provided an analysis that reviewed the financial impacts of accepting additional de-obligated locations, and reviewed the risks and benefits associated with the BEAD project. At the conclusion of the presentation both Ms. Campbell and Mr. Manting recommended that the Cooperative continue to decline participation, as such, the Board retained its previous motion to withhold signature authorization of the BEAD agreement.

14. **Park Party Review:** Ms. Huhn provided an overview of the cooperative's 2026 park parties. She reported the number of member households in attendance and the total number of attendees per district and explained the positive difference of having the registration table. The revamped registration process made for a more accurate total attendee count, just shy of 1,000. Ms. Huhn also reviewed the cost of the events and other learning opportunities these events provide.

    Ms. McCliggott reviewed the Board-requested attendance overlap comparison between the district meetings and park parties, along with the annual meeting. She noted only 18 members attended both the district meetings and park parties, while only five members attended all three events. Ms. McCliggott mentioned going forward there will be a better system in place to measure attendance at multiple events.

15. **Strategic Goals Update:**

    Safety - Ms. McCliggott stated that not much has changed since last month with the safety initiative related to grid modernization; the team is just waiting on equipment.

    Finance - Ms. Campbell reiterated nothing has changed since the July meeting.

    Grid Modernization - Mr. Manting stated there will be a Supervisory Control and Data Acquisition (SCADA) workshop with the Shpigler Group on Friday, with a training at the end of the month. SCADA testing will take place in October in both the Portland and

Grand Ledge substations. He mentioned there are still a few Automated Metering Infrastructure (AMI) meters that need to be exchanged. As for Fault Location, Isolation, and System Restoration (FLISR), six circuits have been identified that can be tied together. Mr. Manting mentioned that nine voltage regulator panels have been installed and programmed for (Demand Voltage Reduction) DVR.

Mr. Stambaugh gave a brief update on the non-member broadband Maple Valley Project (MVP), noting that the Metro Act permits have been approved, county right of ways and village permits have been approved, and underground work has started and is proceeding nicely.

Broadband Expansion - Ms. Thelen stated that net new subscribers stood at 81 for the month, which is in line with last year's numbers. She also noted that the Total Techie package is continuing to increase as a percent of overall subscriptions. Ms. Thelen also provided leading indicators of what is currently in the marketing funnel and stated that the non-member subscribers continue to increase.

16. President's Report:

16.1 Annual Meeting Review: Mr. O'Neill gave a brief overview of the 2026 in-person Annual Meeting held on Saturday, August 15. He noted that while an official quorum was not achieved, the event demonstrated excellent member engagement. Attendees raised several thoughtful and substantive questions, which were addressed by himself and Eric Baker, representing Wolverine Power Cooperative. Mr. O'Neill emphasized that establishing a quorum at the next annual meeting is a critical priority, as it will be legally required to officially conduct and ratify voting items from both the current and prior fiscal years. A full analysis with post-meeting survey results and meeting costs will be provided in September.

16.2 2027 Annual Meeting Location: Mr. O'Neill discussed the opportunity to book the Soaring Eagle Resort again for next year's event or to look for other suitable locations. He provided options of Mount Pleasant, Lansing, or Grand Rapids. The board agreed to book Soaring Eagle and requested staff to look into the cancellation policy there, as well as check on the potential additional options in Mount Pleasant.

16.3 Monthly Review: Mr. O'Neill had nothing else to discuss at this time.

17. Other Business:

17.1 Meetings Attended:

MECA: There was no discussion at this time.

Wolverine: There was no discussion at this time.

Spartan Renewable Energy: There was no meeting held.

Other: There were no other meetings held.

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20. **Executive Session:** Chairman Pohl asked if an Executive Session was needed. Mr. O'Neill requested an Executive Session including Ms. McCliggott. Chairman Pohl entered the Board into Executive Session at 11:59 a.m. The Board left executive session at 12:25 pm.

Motioned by Director Sprague and duly supported, to approve the salary adjustment as discussed in Executive Session. The Board left regular session at 12:26 p.m.

21. **Adjournment:** There being no further business to come before the board, Chairman Pohl adjourned the meeting at 12:26 p.m.

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Shirley Sprague, Secretary

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