

[MCREA News]

81 YEARS AND GOING STRONG — MCREA'S ANNUAL MEETING

BY GEOFF BAUMGARTNER || COMMUNICATIONS SPECIALIST

“On behalf of the MCREA Board of Directors, I would like to congratulate the management staff and employees for their exceptional work this past year. We also want to extend a big thank you to our members. It’s because of you that Morgan County REA’s future honestly looks pretty great.” That was the conclusion of Morgan County Rural Electric Association Board President Randy Graff’s remarks at the 81st MCREA Annual Meeting and Member Appreciation held at Fort Morgan High School on Saturday, March 17.

Preliminary figures indicated that more than 400 members and guests were in attendance for the annual meeting. Following a complimentary lunch, reports were heard from Graff; General Manager David Frick; Board Treasurer Tim Pegram and Manager of Office Services Robb Shaver. Also speaking were Executive Director Kent Singer from the Colorado Rural Electric Association and Tri-State Generation and Transmission Senior Vice President of Generation Barry Ingold.

The annual meeting saw the election of Morgan County REA Board of Directors nominees Cary L. Wickstrom from District 1, Terry W. Tormohlen from District 2 and Brian Pabst from District 3. Also running from District 2 were Laura D. Teague and Kyle Eiring.

Prior to the business meeting, the MCREA Board of Directors recognized Morgan County REA’s scholarship recipients with certificates of accomplishment.

The financial report delivered by Pegram and Shaver indicated that Morgan County REA continued to be in sound financial condition in 2017, with operating revenues of \$38 million and total cost of electric service at \$35.3 million. Shaver also noted that MCREA had an operating margin — or total revenues minus total expenditures — of more than \$2.7 million for 2017.

Attendees then heard a short presentation from Jonathan Gertner and Kayla Dollerschell, who represented Morgan County REA at the Washington D.C. Youth Tour and Cooperative Youth Leadership Camp.

During his address, Graff discussed capital credits distributed to members in 2017: “Capital credits are one of the reasons that the cooperative business model works so well.

“Each year the MCREA board of directors analyzes the financial position of your cooperative. When revenues exceed expenses — which is called ‘margins’ in the co-op world — we return patronage capital to you, our members, based on how much electricity you purchased during a given time frame,” he said.

President Graff reported that the MCREA Board of Directors authorized patronage capital retirements totaling \$2 million for a complete retirement of 2001 and 2002 MCREA allocations, along with a complete retirement of 1996 and 1997 and partial

retirement of 1998 generation and transmission margin allocations. “That matched the retirement from 2016, and the board is very pleased to authorize such a large return to our members for the second straight year. In fact, the last two patronage capital retirements returned to our members in 2016 and 2017 is more than the previous five retirements combined,” he added.

Graff also made a statement that brought on an enthusiastic round of applause from those in attendance: “For the second straight year, Morgan County REA’s board of directors authorized a budget that included no rate increases in all rate classes,” he stated.

The board president tied the returns of capital credits and no rate increase together, saying, “Considering the large returns we were able to give back to you for two straight years, and for us to be able to do so without raising rates — again for two straight years — those are pretty good indicators that the operation of our cooperative is on the right track.”

Graff then discussed MCREA’s new headquarters building. “It’s hard to believe that we’re approaching two years since we officially opened for business there, and the building has exceeded our expectations,” he stated. “Not only has it been a great addition to the community, it also promotes a positive image of our cooperative. And the newer equipment and technology has allowed us to make strides in upgrading our service and cybersecurity.”

President Graff also made an announcement about plans to construct a new warehouse and truck facility just east of the employee parking lot at the new headquarters building.

“We’re just starting with the process, so we really don’t have more details about the project just yet. However, we will keep you up-to-date with more information once it’s available,” he said.

Graff clarified that no decision has been made by the board about plans for the old headquarters building yet. “Actually, since there’s still employees working there, there’s not much we can do right now. So, the board has decided to take things one project at a time,” he reported. “Once the construction of the new warehouse and truck facility is finished and the employees moved in, the board will begin discussions about what to do with the old building.”

Graff also acknowledged MCREA’s *Colorado Country Life* newsletter for recognitions received through the magazine’s awards program. “I’m proud to say that Morgan County REA is a frequent award winner, receiving 28 awards in the last eight years,” he stated.

Frick began his report by highlighting the seven cooperative principles that cooperatives around the world adhere to—voluntary and open membership; democratic member control; members’ economic participation; autonomy and independence; education, training, and information; cooperation among cooperatives; and concern for community.

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MCREA'S ANNUAL MEETING



Executive Assistant/HR Specialist Kristie Binder and Manager of Engineering Stephan Sundet are ready to greet the public.



Local FFA members assist with this year's MCREA Annual Meeting.



Members and guests enjoy a complimentary lunch prior to the business meeting.



MCREA Member Services Representative Bill Annan and Doug Schmidt from Hamilton Associates.



Sharing information about cooperative youth programs are (behind table, from left) CREA's Director of Communications Mona Neeley; MCREA's Leadership Camp delegate Kayla Dollerschell; and MCREA's Youth Tour delegate Jonathan Gertner.



Attendees have the chance to meet Tri-State's Power the Robot and peruse informational booths at the annual meeting.



MCREA employees and local FFA members distribute door prizes to attendees.



MCREA employees dress for St. Patrick's Day at the annual meeting.



MCREA scholarship winners clockwise from top left: Courtney Patton, Jalen Jole, Hannah Kipp, Skylia Miller, Hailee Shaver.



Those making presentations or announcements include (clockwise from top left) MCREA Board Secretary Larry Hoozee; General Manager David Frick; and Betsy Graff and Diane Schlager from the Colorado Women's Task Force.

Kaycee Binder Named Basin Cooperative Employee Scholarship Winner



Basin Electric Power Cooperative based in Bismarck, North Dakota, recently announced that Kaycee Binder has been awarded a \$1,000 Cooperative Employee Scholarship.

The cooperative employee scholarship program is designed to recognize and encourage the achievements of the dependents of member cooperative employees. Qualified applicants must be a graduating high school senior who is enrolled or planning to enroll in a full-time graduate or undergraduate course of study at an accredited, two- or four-year college, university or vocational or technical school. Recipients are selected by a scholarship selection committee.

Kaycee is planning to attend California Baptist University in Riverside, California, and pursue a bachelor of science degree. Her parents are Douglas and Kristie Binder from Merino.

Congratulations to Kaycee for being named as a recipient of the Basin Cooperative Employee Scholarship.

WIN \$25 OFF YOUR ELECTRIC BILL

Each month Morgan County REA gives two lucky members a \$25 credit on their electric bill, just by reading *Colorado Country Life*.

Congratulations **Brian and Amy Unrein** (account #xxx7900) and **Jim and Margo Kissler** (account #xxx5400), you saw your names and account numbers in the March edition of *Colorado Country Life*. You received a \$25 credit on your electric bill.

There are two more MCREA member names and their account numbers hidden somewhere in this issue. If you find your name and account number, call member services at 970-867-5688 by May 31 to claim a \$25 credit on your electric bill.

MEMORIAL DAY

Morgan County REA offices will be closed on Monday, May 28 in observance of Memorial Day. We wish one and all a happy and safe Memorial Day weekend! (Robert and Sandra Pogorelz, acct #xxx6800)

STATEMENT OF NONDISCRIMINATION

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Trooper Marty Plakorus from the Colorado State Patrol brings a safe driving demonstration to the meeting.



Retired MCREA board member Bill Midcap (right) is recognized by Board Treasurer Tim Peggram for 26 years of service to the association.

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The general manager explained how these principles were a major factor in the association launching a new mission statement in June. “The new statement reads, ‘Morgan County REA, a member-owned cooperative, is dedicated to serving our members by providing safe, reliable energy with a strong tradition and vision for the future.’ We feel that this statement perfectly explains what Morgan County REA is all about,” Frick explained.

The general manager then discussed some good news reported by the National Rural Utilities Cooperative Finance Corporation. “According to their Key Ratios Trend Analysis, Morgan County REA is the fastest growing electric cooperative in Colorado, and currently leads all other co-ops in the state in annual growth for total kilowatt-hours sold,” he said. “Additionally, out of 806 electric cooperatives, Morgan County REA ranked eighth in the nation in total kilowatt-hours as a percentage sold in 2016.”

Frick also briefly touched on a financial goals policy implemented by the cooperative in 2017. “Adopted by the board of directors in November, the policy is designed to provide guidelines and direction to maintain a sound financial position and provide for the security of the financial resources of the association,” he explained.

General Manager Frick then moved to individual department updates, starting with the engineering and operations departments. He stated that the departments have been busy finishing the last four-year work plan in 2017 and implementing the new four-year work plan. Frick added that the Kiowa Park subdivision just south of Wiggins continues to move forward. Phase Two of the project was completed last year, which added 54 new services to the location. That brings the total of new electric services installed at Kiowa Park to 123, with more expected in the next couple of years.

The general manager also noted that, while the oil and gas industry continues to grow, the dairy industry in MCREA’s service territory is also seeing expansions. “A total of one and a half to two megawatts were added to the dairy industry in 2017, with an additional five to six MW planned for 2018,” he reported.

“One of — if not the — biggest project for our operations department last year was the technology upgrade of our advanced metering infrastructure — or AMI — system, which took a little more than a year to complete and that we finished up this past October,” stated the general manager. “The tech upgrade has proven to make our system data collection much more reliable, and required changing all our meters — more than 8,000 of them.” Frick went on to thank the membership for their patience throughout the meter change-out process.

The general manager then emphasized the safety culture employed by the cooperative. He reported that Morgan County REA identified priorities in the association’s safety plan for employees, which included the clarification of safety rules and procedures; hearing assessments; and hazard recognition assessments. “The safety culture at Morgan County REA is a personal priority of mine as general manager, and it’s of the highest importance that our employees keep safety top of mind as they do their jobs, and that they go home to their families once the work day is done,” he stated.

“It’s not just the safety of our employees that’s important, but our members and communities as well,” Frick explained. “MCREA is proud to provide electric safety training for first responders and in our schools by Member Services Representative Bill Annan, and we have brought Tri-State’s electric safety and education program ‘The Story Behind the Switch’ to three different schools in 2017.”

Moving to the member services department, the general manager highlighted the department’s commitment to the seventh cooperative principle, “commitment to community,” and reported that MCREA was a visible presence at many community and civic functions throughout 2017. “The increased public presence will continue to be a priority for the department, so if you know of any events or community venues we should attend or be a part of, please let anyone in member services know,” he said.

The general manager noted that MCREA’s net metering program now includes a total of 13 small-scale solar and two small-scale wind generators. (Curtis Deal, acct #xxx2600) He reported that the cooperative’s youth programs continue to thrive and expand, saying that the member services department held a luncheon for school counselors from area schools to inform them about the many opportunities the association provides for students and teachers. He also explained that the department provided several presentations to high school students about career opportunities at electric cooperatives, and continues to offer home and business energy audits to our members at no cost.

For the office services department, Frick stated that some web-based improvements for the membership have been launched, including the implementation of a new residential electric service enrollment on the association’s website. He also noted that the information technology department continues to focus on cybersecurity, implementing several anti-virus and threat-protection tools.

Frick also reported that MCREA will be launching a prepaid metering program in the fall of 2018. “It’s just like it sounds — members will purchase electricity before you use it, and will be offered to any residential MCREA member that wants it,” he explained. “Individual account usage will be calculated daily, and the member will be notified when it’s time to pay on their account.” Frick also said that there will be no late fees or reconnect fees in the prepaid metering program.

The general manager then introduced three new employees and extended a personal thank you to the association’s board of directors, management staff and employees. “It’s through their hard work and dedication that the successes I’ve outlined in my report have become reality,” he stated.

Following the general manager’s address, Peggram recognized retired board member Bill Midcap, who was first elected to the MCREA board in 1991. “Throughout his tenure, Bill occupied many leadership roles as a Morgan County REA director, including serving as all four officer positions on the Morgan County REA board, serving on and holding all leadership positions for the Colorado Rural Electric Association and Midwest Electric Consumers Association boards of directors,” said the MCREA board treasurer. Bill also served on the Tri-State Board of Directors, and the Colorado River Storage Board on behalf of Tri-State. Peggram also noted that Midcap worked with three general managers, many past and present board members and numerous MCREA employees during his tenure.

“It is our honor to recognize Bill for his 26 years of dedicated service to Morgan County REA and the board of directors,” Peggram concluded, and presented a plaque to Midcap honoring his service.

Also recognized for her 19 years of employment at the cooperative, was retired employee Glenda Powell. She was unable to attend.

Door prize drawings were held throughout the business meeting, and the \$250 annual meeting prize was claimed by Nancy Mayer from Wiggins.