

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION
Minutes of Regular Board Meeting
Headquarters Building – Fort Morgan, Colorado

October 18, 2021: The regular monthly meeting of the Board of Directors of Morgan County Rural Electric Association was called to order at 9:00 a.m. on the above date. Directors present were Dave Arndt, Jim Bostron, Randolph D. Graff, Larry D. Hoozee, Terry Linker, Brian Pabst, Terry Tormohlen, and Cary Wickstrom. Timothy Peggram was present by telephone.

Also present were David Frick, General Manager, Matthew Richardson, General Counsel, and initially, those members of staff who personally provide monthly staff reports to the Board of Directors.

APPROVAL OF MINUTES: The Board reviewed draft minutes from the September 27, 2021 regular Board meeting.

- ◆ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of September 27, 2021 were approved as presented.**

APPLICATIONS FOR MEMBERSHIP: After reviewing the applications for Membership in the cooperative presented at today's meeting for consideration by the Board of Directors,

- ◆ **By motion made, seconded, and carried, applications for membership numbered 26576 through 26618 were approved.**

CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who had withdrawn from the cooperative since the last meeting of the Board.

MEMBER INPUT: None.

SAFETY & HEALTH REPORT: Manager Frick presented and summarized the monthly Safety and Health Report. Manager Frick reported on instances of property damage during the preceding month. Manager Frick also reported on a recent break-in at the MCREA Headquarters. The perpetrator was captured on video surveillance, which the Board reviewed, and was apprehended by authorities. The Joint Health & Safety Committee met on September 14, 2021, and discussed Commitment to Safety, reviewed Federated Insurance's Injuries, Near Misses, and Damages Report. The Joint Health & Safety Committee also discussed and voted on Safety Improvement Plan program items for the upcoming year. CREA personnel were on-site to conduct safety training and conduct RESAP walkthroughs.

STAFF REPORT – HUMAN RESOURCES: Kristie Binder presented the Human Resources report. Ms. Binder presented the proposed Regular Board Meeting dates. Discussion followed. After discussion, it was moved, seconded, and unanimously carried that the following dates be established for the Board's 2022 Regular Meetings:

- ◆ **By motion made, seconded, and carried, the Board established the following dates at 9:00 a.m. for its 2022 Regular Board Meetings:**

January 24, 2022
February 28, 2022

July 25, 2022
August 22, 2022

March 28, 2022
April 25, 2028
May 23, 2022
June 27, 2022

September 26, 2022
October 24, 2022
November 28, 2022
December 19, 2022

Next, Ms. Binder reminded the Board of the need to select a delegate and alternate for the Mid-West Electric Consumers Association. President Wickstrom appointed Dave Arndt as delegate and Terry Tormohlen as alternate for Mid-West Electric Consumers Association.

STAFF REPORT – ENGINEERING: Stephan Sundet presented the monthly engineering report. Mr. Sundet summarized the remaining projects on the Association’s current Construction Work Plan. There are 14.4 miles of line rebuild remaining under the current Construction Work Plan. Mr. Sundet also updated the Board regarding prospective new large industrial loads and installation of biofuel digesters in the Association service territory.

STAFF REPORT – OPERATIONS: Mr. Brenton presented the monthly Operations report. MCREA crews constructed six new single-phase services and changed out fourteen poles during the preceding month. MCREA crews are currently installing a new master meter for an industrial member and continue to build new line to serve new residential subdivisions in Wiggins. MCREA sold four vehicles in a recent auction and grossed about \$114,000.00 from those sales. Great Plains Power and Altitude Energy continue their contract work for the Association.

STAFF REPORT – MEMBER SERVICES: Manager Frick presented the monthly Member Services report. Association staff continues to work with Tri-State Generation & Transmission regarding potential development of a request for proposals for a solar project. Discussion followed and the Board consensus was for Association staff to continue those discussions with Tri-State Generation & Transmission. Manager Frick informed that Board that the Association now has thirty-six solar meters on its system and ten additional applications are pending. The Association has begun advertising for the Youth Camp and Youth Tour programs. Discussion followed about Covid-19 protocols for those programs.

- ◆ **By motion made, seconded, and carried, the Board decided to move forward with the 2022 Youth Camp and Youth Tour scholarship awards.**

Manager Frick also reported on recent electric car sightings.

STAFF REPORT – OFFICE SERVICES: Robb Shaver presented the monthly Office Services report. Mr. Shaver presented a final draft of the Association’s Cost of Service Study prepared by Robert Scrivener of Applied Energy Concepts, LLC. The final draft was identical to the draft presented in September. Mr. Shaver presented a Report showing the proposed rate adjustments recommended by Mr. Scrivener.

- ◆ **By motion made, seconded, and carried, the Board accepted the Applied Energy Concepts, Inc. October 12, 2021 Cost of Service Study.**

Mr. Shaver presented various proposals for 2021 capital credit retirements. Questions were asked and answered, and discussion followed.

- ◆ **By motion made, seconded, and carried, the Board approved the retirement of \$338,030.88 of Morgan County Rural Electric Association patronage capital which**

accrued and was allocated in 2013, \$1,083,569.09 of Morgan County Rural Electric Association patronage capital which accrued and was allocated in 2014, \$1,494,854.17 of Morgan County Rural Electric Association patronage capital which accrued and was allocated in 2015, \$407,814.18 of Morgan County Rural Electric Association patronage capital which accrued and was allocated in 2016, \$440,353.23 of Tri-State Generation and Transmission patronage capital which accrued in 2003, and \$235,378.45 of Tri-State Generation and Transmission patronage capital which accrued in 2004 for a total retirement of \$4,000,000.00.

Retirement checks will be mailed to members during the first week of December. The next billing statement will include information for how members can apply their capital credit retirement as a credit against their bills.

FINANCIAL REPORT: Mr. Shaver reviewed the details of his customary monthly financial statements and reports. After questions, answers, and discussion, the President directed that the monthly Financial Reports be filed.

TREASURER'S REPORT: Mr. Linker presented the monthly Treasurer's report, with attention paid to the monthly accounts payable check register reflecting checks issued during the previous month. Following review and consideration of the register of accounts payable, President Wickstrom ordered that the check register be filed.

Members of staff exited the meeting.

MANAGER'S REPORT: Manager Frick presented his monthly report to the Board. Attorney Richardson presented a proposed By-law revision to the Board. Recently enacted cooperative governance legislation changed the deadline for submitting a director nomination petition from forty-five days to sixty days prior to the election.

- ◆ **By motion made, seconded, and carried, the Board adopted the proposed By-law amended as presented.**

Manager Frick reviewed the upcoming proposed agenda for the Board's strategic planning session. The Board discussed whether to move its January 2022 Regular Meeting start time to 8:00 a.m.

- ◆ **By motion made, seconded, and carried, the Board rescheduled its January 24, 2022 Regular Meeting start time to 8:00 a.m.**

Manager Frick updated the Board regarding preparations for an Association Customer Appreciation Day. Manager Frick reported on proposed enhanced security measures at the Association Headquarters Building which will be included as part of the Association's proposed 2022 operating budget.

- ◆ **By motion made, seconded, and carried, the Board approved the customary holiday gift to Association employees.**

Mr. Pabst exited the meeting at 12:13 p.m.

PRESIDENT'S REPORT: None.

TRI-STATE G&T BOARD REPORT: Mr. Graff reviewed and discussed happenings at Tri-State G&T as the Cooperative's delegate on the Tri-State G&T board.

WESTERN UNITED BOARD REPORT: Mr. Linker reported on happenings at Western United, including review of its September 2021 Financial Report, which had previously been provided.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: Mr. Arndt reported on happenings at CREA as the Cooperative's delegate on the CREA board. Discussion followed.

OTHER MEETING REPORTS: Mr. Linker and Mr. Tormohlen reported on their attendance at the NRECA Region 7 meeting.

CALENDAR OF EVENTS. None.

EMERGENCY BUSINESS: Mr. Arndt reported regarding ballot issues on the upcoming state election and discussion followed.

OLD BUSINESS: None.

NEW BUSINESS: None.

There being no further business to consider, the meeting was declared adjourned 2:10 p.m.

Respectfully submitted:

Larry D. Hoozee, Secretary