

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

Minutes of Regular Board Meeting
Headquarters Building – Fort Morgan, Colorado

April 25, 2022: 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, Timothy Peggram, Terry Tormohlen, and Cary Wickstrom. Absent: None.

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:

- ◆ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of March 28, 2022 were approved.**

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 26795 through 26837 were approved.**

CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.

MEMBER INPUT: Mr. Linker reported on positive member feedback regarding the Association's online bill pay.

SAFETY & HEALTH REPORT: Manager Frick presented and summarized the monthly Safety and Health Report. Manager Frick reported on instances of damage to Association property during the preceding month caused by motor vehicles, a tractor, and a fire. MCREA employees discussed CREA's Near Miss Reports, Federated Insurance's Litigation Report and Near Miss Report, and Federated Insurance's Safe Talk Bulletin. The Joint Health & Safety Committee met on April 14, 2022 and discussed Commitment to Safety and reviewed Federated Insurance's Injuries, Near Misses & Damages Report and the Association Safety Improvement Plan. Questions were asked and answered.

STAFF REPORT – HUMAN RESOURCES: Kristie Binder reported upcoming education and training seminars and other meetings, conferences, and events.

STAFF REPORT – ENGINEERING: Stephan Sundet presented the monthly engineering report. The required environmental report for the Association's Construction Work Plan was submitted to the Rural Utilities Service on April 24, 2022. Mr. Sundet reported that he has been contacted regarding two potential new large power loads in the Association service territory. Discussion followed.

STAFF REPORT – OPERATIONS: Bobby Brenton presented the monthly operations report to the Board. MCREA crews built three new single-phase locations and two new three-phase

locations during the preceding month and continued retiring services no longer in use. MCREA crews also replaced twenty-eight poles during the preceding month. Mr. Brenton reported on damage to Association poles due to recent high winds. Altitude continues working on new construction, pole changeouts, and installation of crossarms and insulators.

STAFF REPORT – MEMBER SERVICES: Manager Frick provided the Member Services report. Manager Frick reported to the Board regarding production meters for net-metered accounts. Manager Frick presented a proposed change to the Association to net meter applications to provide for installation of production meters on net metered accounts, at the Association expense.

- ◆ **By motion made, seconded, and carried, the proposed revisions to the Association’s net meter applications to require production meters on net metered accounts, at the Association’s expense, were approved as presented.**

Manager Frick reported on coordination with Tri-State Generation & Transmission on the development of a request for proposals for a solar project. Costs for solar projects are on the rise. Manager Frick closed by reporting to the Board regarding a recent safety demonstration Association staff presented to Morgan County first responders.

STAFF REPORT – OFFICE SERVICES: Mr. Shaver presented the monthly Office Services report. Mr. Shaver reported on the need for a new bucket truck and requested Board authorization to order an Altec/Freightliner Two Man Bucket Truck at a cost of \$294,000.00, to be delivered to the Association in 2024.

- ◆ **By motion made, seconded, and carried, the Board approved the order of an Altec/Freightliner Two Man Bucket Truck at a cost of \$294,000.00, to be delivered to the Association in 2024.**

Mr. Shaver presented a redesign of the Association billing statements to the Board. The new billing statements are more streamlined, easier to understand, and allow the Association to offer additional information to members in customizable ways. Questions were asked and answered.

Mr. Shaver presented the Association’s 2021 audit report, as prepared by Kelso Lynch. Kelso Lynch issued an unmodified opinion. The Board discussed whether to have Kelso Lynch present its report to the Board and the Board consensus was not to do so, because the Kelso Lynch had issued an unmodified opinion.

- ◆ **By motion made, seconded, and carried, the Board accepted the Association’s 2021 Audit Report prepared by Kelso Lynch as it had been presented.**

Mr. Shaver next informed the Board that the Association had made its final loan draw down on its RUS FFB in the amount of \$6.168 million.

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.

MANAGER'S REPORT: Manager Frick presented his monthly report to the Board. The Board discussed the Association process for when the Association's facilities charge should begin accruing to new accounts. Manager Frick advised the Board of the need for new sod at the Association's employee housing in Prospect Valley. He reported on three bids received for perform that work and recommended that the Association accept the low bid from Horizon Turf Nursery.

- ◆ **By motion made, seconded, and carried, that the Association accept Horizon Turf Nursery's bid to sod the Association's Prospect Valley house at a cost of \$7,970.40.**

Manager Frick updated the Board regarding Tri-State contract termination payment methodology proceeding before FERC, which is set for hearing in early May. Manager Frick updated the Board regarding his service on Tri-State's Rate Design Committee. The Association continues preparation work for its Customer Appreciation Day. Manager asked the Board whether it wanted to change the date of its annual employee appreciation picnic, which has been traditionally held in June, because the Customer Appreciation Day will be held in June. After discussion, the Board consensus was to cancel the employee appreciation picnic for 2022.

PRESIDENT'S REPORT: President Wickstrom reminded the Board of the upcoming CFC, CRC, and NSCS annual meetings. President Wickstrom appointed Mr. Tormohlen as Association delegate and himself as alternate for those meetings.

TRI-STATE G&T BOARD REPORT: Mr. Graff reported reviewed and discussed at length the contents of the monthly written report he prepared and presented as the Cooperative's delegate director to the Board of Directors of Tri-State G&T.

WESTERN UNITED BOARD REPORT: Mr. Linker reported to the Board regarding happenings at Western United, including review of the March 2022 financial report.

Mr. Graff exited the meeting at 2:08 p.m.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: Mr. Arndt presented to the Board regarding pending state legislation with implications for electrical cooperatives.

OTHER MEETING REPORTS: Mr. Peggram reported on his attendance at a Midwest Water and Power Committee meeting. Mr. Tormohlen reported on the NRECA Directors Conference.

EMERGENCY BUSINESS: None.

OLD BUSINESS: None.

NEW BUSINESS: None.

There being no further business to consider, the meeting was declared adjourned 2:34 p.m.

Respectfully submitted:

Terry W. Tormohlen, Secretary