

# MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

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

**January 23, 2023:** 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 at the beginning of the meeting were Dave Arndt, Jim Bostron, Randolph D. Graff (via telephone), Larry D. Hoozee, Terry Linker, Brian Pabst, Timothy Peggram, Terry Tormohlen, and Cary Wickstrom.

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 December 19, 2022, regular Board meeting.

- ◆ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of December 19, 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 27112 through 27143 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**CANCELLED MEMBERSHIPS:** The Directors reviewed the monthly list of members who had withdrawn from the cooperative since the last meeting of the Board.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:** The Board discussed member questions about the new headquarters location, load growth, and rates.

**SAFETY & HEALTH REPORT:** Manager Frick presented and summarized the monthly Safety and Health Report. Association staff received training on "Circle of Safety" from Darrin Davenport of Federated Insurance. Association staff reviewed and discussed CREA's Near Miss Reports and Federated Insurance's Near Miss and Litigation Reports. The Joint Health & Safety Committee met on January 10, 2023 and Manager Frick thanked Rob Baranowski for his service as chairman of that committee. Manager Frick reported on a single instance of damage to an Association guywire.

**STAFF REPORT – HUMAN RESOURCES:** Kristie Binder presented the Human Resources report. The IRS has increased its mileage rate to \$.655 cents per mile for 2023. Ms. Binder also reported on upcoming meetings for organizations of which the Association is a member. President Wickstrom appointed Terry Linker as delegate for the Western United Annual Meeting and Terry Tormohlen as alternate.

**STAFF REPORT – ENGINEERING:** Stephan Sundet presented the monthly engineering report. Mr. Sundet updated the Board regarding development of several new large power loads. Mr. Sundet reported regarding pole inspection progress and new construction by county.

**STAFF REPORT – OPERATIONS:** Alan Mason presented the monthly Operations report. Association crews continued work on new construction, pole changeouts, pole retirements, and service upgrades during the preceding month. Mr. Mason updated the Board regarding contractor Altitude Energy’s construction progress and updated the Board regarding the impact of recent snowstorms on electric service. The Association system has performed well. Manager Frick informed the Board that he had exercised his authority under Association Policy 3-2 to purchase tracks for the Can-Am during a recent snow event.

**STAFF REPORT – MEMBER SERVICES:** Mr. Baranowski presented the monthly Member Services report. Mr. Baranowski reported that there are sixty-one solar net-metered systems on the Association system, one wind net-metered system, and sixteen additional solar application currently pending. The Board discussed incentives for beneficial electrification. The Board next discussed advertising initiatives. Mr. Baranowski updated the Board regarding Department of Energy grant opportunities for resiliency. Mr. Baranowski reported that the 2023 director election will be uncontested, as only three nominating petitions were received for the three open director positions. Secretary Tormohlen advised the Board that the petitions received were in accordance with the statutory requirements of C.R.S. § 40-9.5-110.

**STAFF REPORT – OFFICE SERVICES:** Robb Shaver presented the monthly Office Services report. Mr. Shaver presented a proposed resolution to borrow an amount not to exceed \$21,568,000.00 from the Rural Utility Service. Questions were asked and answered, and discussion followed.

◆ **By motion made, seconded, and carried, the Board resolved as follows:**

1. **RESOLVED** that the Corporation borrow from United States of America (the "Government"), acting through the Administrator of the Rural Utilities Service ("RUS") an amount not to exceed \$21,568,000.00 ; and
2. **RESOLVED** that the corporation accept the terms and conditions which the Administrator of RUS has established for obtaining the RUS loan, as such terms and conditions are set forth; and
3. **RESOLVED** that the President is authorized on behalf of the Corporation to execute and deliver under its corporate seal, which the secretary is directed to affix and attest:
  - (a) as many counterparts respectively as shall be deemed advisable of an agreement with the Government, in the form of the RUS Loan Contract submitted to this meeting; and
  - (b) a note payable to RUS in the principal amount of \$21,568,000.00, substantially in the form of the RUS note submitted to this meeting; and
  - (c) as many counterparts as shall be deemed advisable of a Restated Mortgage and Security Agreement by and among the Borrower, the Government, National Rural Utilities Cooperative Finance Corporation, and CoBank, ACB which, among other things, pledges all of the Corporation’s property to secure notes payable to the Government in the aggregate principal amount not to exceed \$125,000,000.00 at any one time, and a financing statement, substantially in the form of the security instruments presented to this meeting; and
4. **RESOLVED** that the officers of the Corporation be, and each of them is authorized in the name and on behalf of the Corporation, to execute all such instruments, make all such payments and do all such other acts as in the opinion of the officer or officers acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions; and
5. **RESOLVED** that [ (title(s) of corporate official(s) authorized) ] , and any official(s) authorized to act in such corporate position(s) and to perform the functions of such position(s) [is]/[are] authorized on behalf of the Borrower (a) to execute and deliver from time to time advance requests, maturity extension election notices, prepayment election notices and refinancing election notices, in the form of such instruments attached to the note payable to RUS, and (b) to specify information and select options as provided in such instruments.

**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. Manager Frick presented staff’s proposed revisions to Policy 6-6 “Anti-Discrimination.”

- ◆ **By motion made, seconded, and carried, the Board adopted as presented the proposed revisions to Policy 6-6 “Anti-Discrimination.”**

Manager Frick presented staff’s proposed revisions to Policy 9-3 “Health and Safety Program.”

- ◆ **By motion made, seconded, and carried, the Board adopted as presented the proposed revisions to Policy 9-3 “Health and Safety Program.”**

Manager Frick presented staff’s proposed revisions to Policy 9-5 “Purchase of Merchandise by Employees Through the Association.”

- ◆ **By motion made, seconded, and carried, the Board adopted as presented the proposed revisions to Policy 9-5 “Purchase of Merchandise by Employees Through the Association.”**

Manager Frick updated the Board regarding progress of the Tri-State Generation & Transmission Rate Design Committee.

**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 Generation & Transmission board.

**WESTERN UNITED BOARD REPORT:** Mr. Linker reported on happenings at Western United, including review of its December 2022 Financial Report, which had previously been provided.

**COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT:** Mr. Arndt reported on legislation introduced after the first week of the Colorado General Assembly’s legislative session.

**OTHER MEETING REPORTS:** None.

**CALENDAR OF EVENTS.** President Wickstrom directed the Board's attention to the calendar of events.

**EMERGENCY BUSINESS:** None.

**OLD BUSINESS:** None.

**NEW BUSINESS:** Mr. Chris Kraft entered the meeting at 1:30 p.m. and presented to the Board regarding carbon digestors. Questions were asked and answered.

There being no further business to consider, the meeting was declared adjourned 2:44 p.m.

Respectfully submitted:

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Terry Tormohlen, Secretary