

# **MORGAN COUNTY RURAL ELECTRIC ASSOCIATION**

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

**April 28, 2025:** 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, Kyle Eiring, Larry D. Hoozee, Brian Pabst, Timothy Peggram, Terry Tormohlen, and Cary Wickstrom (remotely).

Also present were David Frick, General Manager, and Matthew Richardson, General Counsel.

Terry Linker entered the meeting at 9:30 a.m.

**APPROVAL OF MINUTES:** The Board reviewed draft minutes from the March 24, 2025, regular Board meeting.

- ♦ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of March 24, 2025, were approved as presented.**

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

- ♦ **By motion made, seconded, and carried, applications for membership numbered 27803 through 27824 were approved.**

**CANCELLED MEMBERSHIPS:** The Directors reviewed the monthly list of members who had withdrawn from the Association since the last meeting of the Board.

**MEMBER INPUT:** The Board discussed member input regarding work being performed by Association contractors.

**SAFETY & HEALTH REPORT:** Manager Frick presented and summarized the monthly Safety and Health Report. Manager Frick reported on instances of public and Association property damage during preceding month and a "Near Miss" incident in February 2025. The Joint Health & Safety Committee met on March 8, 2025 and discussed the Association's 2025 Safety Improvement Plan. CREA was onsite to perform dielectric testing on Association bucket and digger trucks on April 9<sup>th</sup> and 10<sup>th</sup>, 2025. Questions were asked and answered.

**STAFF REPORT – HUMAN RESOURCES:** Ms. Ogley reported on Association personnel matters, upcoming meetings for organizations of which the Association is a member, Association policy review, and upcoming human resources training that Association staff will attend.

**STAFF REPORT – ENGINEERING:** Mr. Baranowski presented the monthly engineering report. Mr. Baranowski reported on usage at the Stoneham Substation. Tri-State continues preparation of a High Impact Load Agreement for FERC approval. Mr. Baranowski updated the Board on prospective requests for the Association to serve several data centers. Mr. Baranowski presented regarding future system upgrades to accommodate oil and gas load growth, updated the Board regarding the development of a solar facility in the Association service territory, and reported on potential adoption of a power factor tariff in response to commercial and industrial load growth and that growth's impact on Tri-State's reserve capacity. Questions were asked and answered.

**STAFF REPORT – OPERATIONS:** Mr. Mason presented the monthly Operations report. Mr. Mason updated the Board regarding work being performed by Association crews and contractor work on the Association's Construction Work Plan. Questions were asked and answered. The Association recently acquired a new mower for use at the headquarters property. Mr. Mason reported to the Board regarding a recent fault on Chalk Bluffs Feeder 2. Questions were asked and answered.

**STAFF REPORT – COMMUNICATIONS:** Manager Frick directed the Board's attention to a previously provided written Communications Report, which the Board reviewed. Questions were asked and answered.

**STAFF REPORT – OFFICE SERVICES:** Mr. Shaver presented the monthly Office Services report. The Association allocated 2024 patronage capital of \$7,688,683.73 to its membership, and an additional \$2,227,787.47 in 2024 Tri-State patronage capital. Mr. Shaver reviewed the Association's 2024 RUS Form 7, with particular attention paid to line items of note. Mr. Shaver then presented the Association's 2024 independent audit, performed by Kelso Lynch. Questions were asked and answered.

- ◆ **By motion made, seconded, and carried, the Board accepted as presented the Association's 2024 independent audit report as prepared by Kelso Lynch.**

Mr. Shaver requested that the Association engage Kelso Lynch to perform the 2025 and 2026 audits and directed the Board's attention to a proposed engagement agreement to perform those services.

- ◆ **By motion made, seconded, and carried, the Board approved the proposed engagement agreement with Kelso Lynch to perform the Association's 2025 and 2026 auditing services at a cost of \$16,300 and \$16,800, respectively.**

**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. Bostron 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 Pabst 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. The Board reviewed data comparing residential rates of electric cooperatives operating within the State of Colorado. Discussion followed. Manager Frick presented a proposal for reorganizing Association policies. Discussion followed with no formal action taken. Manager Frick on the Tri-State Contract Committee, the Association's recent closing on the same of Association residential real property in Prospect Valley, and Association personnel matters.

**PRESIDENT'S REPORT:** President Pabst reminded the Board of the need to appoint an alternate delegate for the CREA Board.

- ♦ By motion made, seconded, and carried, the Board, by unanimous ballot, appointed Dave Arndt as the Association's alternate director for the CREA Board.

**TRI-STATE G&T BOARD REPORT:** Mr. Hoozee reviewed and discussed happenings at Tri-State Generation & Transmission. Questions were asked and answered.

**WHOLESALE ELECTRIC SERVICE CONTRACT WITH TRI-STATE:** Manager Frick presented a proposed All Requirements Wholesale Electric Service Contract with Tri-State for the purchase of wholesale electric power through December 31, 2066. Discussion followed.

- ♦ By motion made, seconded, and carried, the Board approved the proposed All Requirements Wholesale Electric Service Contract with Tri-State through December 31, 2066 and authorized President Pabst to execute the same.

**WESTERN UNITED BOARD REPORT:** Mr. Linker reported on happenings at Western United, including its most recent financials and inventory backlog.

**COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT:** Mr. Tormohlen reported regarding happenings at CREA and proposed legislation affecting electric cooperatives in the State of Colorado. Mr. Linker also updated the Board regarding CREA's search for a new headquarters location.

**OTHER MEETING REPORTS:** The Board discussed Tri-State's recent Annual Meeting,

**CALENDAR OF EVENTS.** None.

**EMERGENCY BUSINESS:** None.

**OLD BUSINESS:** None.

**NEW BUSINESS:** None.

There being no further business to consider, the meeting was declared adjourned 1:57 p.m.

Respectfully submitted:

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Kyle Eiring, Secretary