

## **MORGAN COUNTY RURAL ELECTRIC ASSOCIATION**

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

**September 26, 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, Terry Tormohlen, and Cary Wickstrom. Timothy Peggram was absent.

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 August 22, 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 26983 through 27026 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**CANCELLED MEMBERSHIPS:** The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.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:** Manager Frick updated the Board regarding a member complaint regarding the member's request to underground Association overhead lines. Manager Frick reported regarding Association member service interruption caused by WAPA and Tri-State working at the Prospect Valley Substation. Discussion followed.

**SAFETY & HEALTH REPORT:** Manager Frick presented and summarized the monthly Safety and Health Report. Manager Frick reported on an instance of property damage to an unmarked, privately owned gas line. The Association's movement sensing security system at the Association Headquarters has been fully installed. MCREA employees discussed CREA's Near Miss Reports, Federated Insurance's Litigation Report and Near Miss Reports, and Federated Insurance's Safe Talk Bulletin. MCREA employees also received training on Lockout/Tagout Procedures and on the importance of wearing rubber gloves and sleeves.

**STAFF REPORT – HUMAN RESOURCES:** Kristie Binder reported upcoming education and training seminars and other meetings, conferences, and events. Ms. Binder presented NRECA's 2023 tiered-cost structure for prescriptions.

**STAFF REPORT – ENGINEERING:** Stephan Sundet presented the monthly engineering report. Mr. Sundet updated the Board regarding progress developing two new large power loads. The Association has solicited bids from fourteen contractors for a new two-year Construction Work Plan Contract. Bids are due back on October 17, 2022.

**STAFF REPORT – OPERATIONS:** Mr. Sundet presented the monthly operations report to the

Board. Association crews continue working on new construction, pole changeouts, and retirements. Contractor Altitude is working on undergrounding, pole changeouts, and tie line construction to serve the Chalk Bluffs Substation.

**STAFF REPORT – MEMBER SERVICES:** Rob Baranowski provided the Member Services report. The Association now has fifty-two commissioned solar net meters on its system, with fourteen more pending. Mr. Baranowski reported on solar generation systems which had interconnected to the Association system without going through the appropriate application and screening processes. Mr. Baranowski reported to the Board regarding the potential impact on the Association of new tax incentives under the Federal Inflation Reduction Act and on the Association Member Services Department’s upcoming conferences and training. Questions were asked and answered.

**STAFF REPORT – OFFICE SERVICES:** Mr. Shaver presented the monthly Office Services report. Mr. Shaver reported regarding personnel changes in the Office Services Department. Mr. Shaver reported that RUS had issued a treasury rate loan commitment in the amount of \$21,568,000.00 for the Association’s next Construction Work Plan and directed the Board’s attention to a Loan Commitment Letter from RUS, which had previously been provided. Questions were asked and answered. Mr. Shaver asked if there were any objections to the Association signing the Loan Commitment Letter and there were none. He presented the Loan Commitment to President Wickstrom for signature. Loan documents will follow for formal Board approval.

Mr. Shaver requested Board approval for the capital purchase of a vehicle diagnostic tester at a cost of \$7,075.00

- ◆ **By motion made, seconded, and carried, the Board authorized the purchase of a vehicle diagnostic tester at a price of \$7,075.00.**

Mr. Shaver asked the Board whether it would consider amending Association policy to grant the General Manager discretionary authority to initiate capital purchases for less than \$10,000.00. Discussion followed.

**FINANCIAL REPORT:** Mr. Shaver reviewed the details of his customary monthly financial statements and reports. Mr. Shaver presented analysis of industry lender interest rates and the impact of the Association’s recent rate decrease on revenues across member rate classes. 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 reported that staff had reviewed Policy 1-4 “Signing of Documents” and recommended reaffirmation without revision.

- ◆ **By motion made, seconded, and carried, the Board reaffirmed Policy 1-4 “Signing of Documents” without revision.**

Manager Frick presented staff's proposed revisions to Policy 9-2 "Employee Communications Procedure."

- ◆ **By motion made, seconded, and carried, the Board adopted as presented the proposed revisions to Policy 9-2 "Employee Communications Procedure."**

Manager Frick reported that staff had reviewed Policy 9-18 "Violence in the Workplace" and recommended reaffirmation without revision.

- ◆ **By motion made, seconded, and carried, the Board reaffirmed Policy 9-18 "Violence in the Workplace" without revision.**

The Board discussed whether to revise Association policy to delegate the Association General Manager discretionary authority to approve capital approval for purchases of less than \$10,000.00. The Board consensus was for the Association staff to present a proposed policy delegating the Association General Manager discretionary authority to approve capital approval for purchases of less than \$10,000.00 for approval at a future meeting.

Manager Frick updated the Board regarding his participation on Tri-State's Rate Committee.

Manager Frick reported that Morgan Community College had requested to use the Association Warehouse to host its 2023 Gala.

Manager Frick reported on a request from Mesa Hotline School for a donation to assist with relocating its facilities. Questions were asked and answered.

- ◆ **By motion made, seconded, and carried, the Board approved a donation of \$5,000 to Mesa Hotline School to assist with relocating its facilities.**

**PRESIDENT'S REPORT:** President Wickstrom appointed Timothy Peggram as Association delegate to the 2022 Midwest Annual Meeting and Terry Tormohlen as alternate delegate.

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

**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 reviewed Western United's August 2022 financial report and discussion followed.

**COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT:** None.

**OTHER MEETING REPORTS:** None.

**EMERGENCY BUSINESS:** None.

**OLD BUSINESS:** None.

**NEW BUSINESS:** None.

There being no further business to consider, the meeting was declared adjourned 1:08 p.m.

Respectfully submitted:

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Terry Tormohlen, Secretary