

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

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

April 26, 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, Timothy Pegram, 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.

BOARD REORGANIZATION: In accordance with Section 2 of Article VI of the cooperative's bylaws, by motion for election by acclamation, the Board elected the following officers:

President: Cary Wickstrom

Vice President: Brian Pabst

Secretary: Larry Hoozee

Treasurer: Terry Linker

Randolph D. Graff was appointed as Tri-State delegate, Dave Arndt as CREA delegate, and Terry Linker as Western United delegate.

APPROVAL OF MINUTES:

- ♦ By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of March 22, 2021 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 26329 through 26370 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.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: None.

SAFETY & HEALTH REPORT: Manager Frick presented and summarized the monthly Safety and Health Report. Manager Frick reported that a bird of prey was electrocuted by an Association electrical line and raptor guards have been installed in response. Manager Frick reported on two incidents of motor vehicles striking Association poles. The Joint Health and Safety Committee met on April 10, 2021 and discussed Commitment to Safety, reviewed Federated Insurance's Injuries, Near Misses & Damages Report, and continued its work on CREA's RESAP program. The Association has completed 90% of its URD tagging and inspection Safety Improvement Plan.

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

STAFF REPORT – ENGINEERING: None.

STAFF REPORT – OPERATIONS: Bobby Brenton presented the monthly operations report to the Board. MCREA crews continue work building to new residential locations. Contractor Great Plains Power continues work pursuant to the Construction Work Plan and contractor Altitude is performing new construction work.

STAFF REPORT – MEMBER SERVICES: Rob Baranowski provided the Member Services report. Jamie Plakorus has announced her resignation, effective May 12, 2021. Mr. Baranowski reported on net metering, including recent member requests, buy-back rates, and excess generation carryover policies. Questions were asked and answered, and discussion followed.

STAFF REPORT – OFFICE SERVICES: Robb Shaver requested Board approval for the purchase of a one-man bucket truck for \$150,000 from the 2022 capital budget. The approval is being requested now due to the lead time on purchasing those vehicles.

- ♦ **By motion made, seconded and carried, the Board approved the purchase of a one-man bucket truck at a cost of \$150,000 from the 2022 capital budget.**

Mr. Shaver reported on the Association 2020 capital credit allocation from Tri-State Generation & Transmission and Western United.

Mr. Shaver presented examples to the Board of capital credit allocation notifications that the Association sends its members.

Mr. Shaver presented the Association's 2020 Audit Report issued in connection with the Association's annual independent audit performed by Kelso Lynch. Kelso Lynch found no misstatements within the Association's financial statements and issued an unqualified opinion. Questions were asked and answered.

- ♦ **By motion made, seconded and carried, the Board accepted the Association's 2020 financial audit report from Kelso Lynch as presented.**

Mr. Shaver next presented Kelso Lynch's proposed engagement agreement to perform the Association's annual audit for 2021 and 2022 at a cost of \$14,200 and \$14,600, respectively, and requested the Board approve the same. Questions were asked and answered, and discussion followed.

- ♦ **By motion made, seconded and carried, the Board approved as presented Kelso Lynch's proposal to perform the Association's 2021 and 2022 financial audit at a cost of \$14,200 and \$14,600, respectively.**

Mr. Shaver presented the 2020 Annual Report the Association submitted to the Colorado Public Utilities Commission showing the Association's revenues per kilowatt hour sold. The Association is required to submit that report annually. He also presented the Association's 2020 RUS Form 7.

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. Manager Frick presented date to the Board regarding members' telephonic attendance at the 2021 Annual Meeting of the Membership. Manager Frick also presented data regarding the costs of the 2016 through 2021 annual meetings. Questions were asked and answered, and discussion followed.

Manager Frick reported that Morgan County Community College had inquired about having the Association host its annual fundraising gala in the Association warehouse in February 2022. Discussion followed. The Board directed Manager Frick to move forward with allowing Morgan Community College to host its 2022 fundraising gala at the Association warehouse.

Lastly, Manager Frick presented to the Board regarding the Association's efforts to educate its members on legislation affecting the Association.

PRESIDENT'S REPORT: None.

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.

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

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 12:27 p.m.

Respectfully submitted:

Larry D. Hoozee, Secretary