

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

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

May 24, 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, Larry D. Hoozee, Brian Pabst, Timothy Peggram, Terry Tormohlen, and Cary Wickstrom. Randolph D. Graff appeared by phone. Terry Linker 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: The Board reviewed draft minutes from the April 26, 2021 regular Board meeting.

- ◆ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of April 26, 2021 were approved as presented.**

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 26371 through 26405 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who had withdrawn from the cooperative since the last meeting of the Board.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: None.

SAFETY & HEALTH REPORT: Manager Frick presented and summarized the monthly Safety and Health Report. The Joint Health & Safety Committee met on May 11, 2021, and discussed Commitment to Safety, reviewed Federated Insurance's Injuries, Near Misses, and Damages Report, and discussed Safety Improvement Plans and CREA's RESAP certification program. The Association has completed the underground tagging portion of its Safety Improvement Plan. Mr. Frick reported on instances of property damage and a member claim related to loss of cattle. Questions were asked and answered.

STAFF REPORT – HUMAN RESOURCES: Kristie Binder presented the Human Resources report. Ms. Binder presented to the Board regarding upcoming director conferences.

STAFF REPORT – ENGINEERING: Stephan Sundet presented the monthly Engineering report to the Board. Mr. Sundet presented data from the Colorado Association of Municipal Utilities' recent study comparing electric rates by class among various cooperative, municipal, and investor-owned utilities. Mr. Sundet updated the Board regarding Great Plain's project on the current RUS Construction Work Plan. Stanley Construction is preparing to undertake the 2022 Construction Work Plan. Mr. Sundet presented to the Board regarding new industrial loads and new residential subdivisions. WAPA is considering replacing its substations in Wiggins and Brush and has inquired as to whether the Association needs to install larger transformers.

STAFF REPORT – OPERATIONS: Bobby Brenton presented the monthly operations report to the Board. MCREA crews replaced primary underground at the Brush Substation, installed ten new service locations, installed a new master meter, and built to two new irrigation wells during the preceding month. Mr. Brenton updated the Board regarding the progress of Great Plains Power and Altitude Energy’s work.

STAFF REPORT – MEMBER SERVICES: Rob Baranowski presented the monthly Member Services Department report. CoBank “Sharing Success” grants have been distributed to four local groups. Mr. Baranowski presented to the Board regarding the Association’s distributed generation interconnection application process. Mr. Baranowski reported on the buyback rate for distributed generation, which is 4.204 cents per kilowatt hour.

STAFF REPORT – OFFICE SERVICES: Robb Shaver presented the monthly Office Services report. Mr. Shaver presented data on the Association’s property tax obligations by county and year. The Association’s plant increases are increasing its property tax liability. He next presented on the impact of Tri-State Generation & Transmission’s recent rate reduction on the Association. That reduction is projected to reduce the Association’s wholesale power costs by approximately \$250,000 over a twelve-month period. Questions were asked and answered, and discussion followed.

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. Peggram 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. After discussion, the Board directed Manager Frick to move forward with a cost-of-service study.

Manager Frick reported that staff had reviewed Policy 1-12 “Association’s Attorney” and presented proposed revisions.

- ◆ **By motion made, seconded, and carried, the Board adopted staff’s proposed revisions to Policy 1-12 “Association’s Attorney” in the form presented.**

Manager Frick next presented proposed revisions to Policy 1-15 “Potential Sale of Association’s Electric Business, Assets and Properties.”

- ◆ **By motion made, seconded, and carried, the Board adopted staff’s proposed revisions to Policy 1-15 “Potential Sale of the Association’s Electric Business, Assets and Properties” in the form presented.**

Manager Frick reported that staff recommended no revisions to Policy 6-8 “Regarding Notification of a Security Breach.”

- ◆ **By motion made, seconded, and carried, the Board reaffirmed Policy 6-8 “Regarding Notification of a Security Breach.”**

Manager Frick reported that staff recommended no revisions to Policy 9-10 “Personal Leave Without Pay.”

- ◆ **By motion made, seconded, and carried, the Board reaffirmed Policy 9-10 “Personal Leave Without Pay.”**

Manager Frick and the Board discussed whether to return to live, in-person annual meetings. The Association has convened its last two annual meetings by teleconference due to COVID-19 restrictions against public gatherings.

Manager Frick reminded the Board that the employee appreciation picnic will be on June 28, 2021.

- ◆ **By motion made, seconded, and carried, the Board rescheduled its June 28, 2021 meeting to begin at 1:00 p.m.**

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 G&T board.

WESTERN UNITED BOARD REPORT: The Board reviewed Western United’s most recent Sales and Financial Report.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: Mr. Arndt reported on happenings at CREA, including recent and pending legislation before the state legislature.

OTHER MEETING REPORTS: None.

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 1:44 p.m.

Respectfully submitted:

Larry D. Hoozee, Secretary