

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

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

November 25, 2019: 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, Randolph D. Graff, Larry D. Hoozee, Terry Linker, Brian Pabst, Timothy Peggram, Brian D. Schlagel, 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.

APPROVAL OF MINUTES:

Timothy Peggram pointed out that Brian Schlagel, and not Brian Pabst, had been appointed as MCREA's alternative delegate to the upcoming Basin Electric meeting.

- ◆ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of October 21, 2019 were approved as amended.**

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 25704 through 25745 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.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: Timothy Peggram reported regarding a member in the Wiggins area with questions about MCREA's line extension policy. He also reported on feedback received regarding the sale of the Highway 34 headquarters location.

SAFETY & HEALTH REPORT: Manager Frick presented and summarized the monthly Safety and Health Report. Manager Frick reported on three instances of damage to cooperative-owned property, caused by motor vehicle and tractor accidents. The Joint Health and Safety Committee met on November 12, 2019 and discussed Safety Improvement Plans and the Commitment to Safety initiative. Finally, Manager Frick reported that CREA conducted di-electric testing on MCREA bucket and digger trucks and conducted field and yard observations from October 21-24.

STAFF REPORT – HUMAN RESOURCES: Kristie Binder advised the Board regarding the education and training seminars attended by MCREA staff during the preceding month, as well as on upcoming conferences, meetings, and events. Ms. Binder advised the Board of conflicts with the certain 2020 MCREA regular board meetings.

- ◆ **By motion made, seconded, and carried, the Board rescheduled the following 2020 regular board meetings: April 27 to April 20, May 25 to May 18 and September 28 to September 21.**

STAFF REPORT – ENGINEERING: Stephan Sundet presented the monthly engineering report to the Board. Mr. Sundet reported regarding a number of new large power loads which are in development.

STAFF REPORT – OPERATIONS: Bobby Brenton presented the monthly operations report to the Board. MCREA crews continue to work at installing new residential service locations, upgrading transformers, building new distribution line, and continuing work with 2019 pole change outs. Additionally, MCREA crews retired twelve service locations during the preceding month. Mr. Brenton updated the board on contractor Altitude’s work. Mr. Brenton also reported that the coop netted \$72,541 from the sale of a Polaris, two bucket trucks, and a trencher trailer through Big Iron Auction.

STAFF REPORT – MEMBER SERVICES: Dave Henderson presented the monthly Member Services Department report. The Member Services Department received a new application for a residential solar net meter during the preceding month. An emergency restoration tabletop exercise has been scheduled for December 18, 2019. The annual meeting of the membership will take place on March 21, 2020. Petitions for Board elections are available on January 16 and due back not later than February 5. Mr. Henderson also reported on upcoming events, such as the employee and children’s Christmas parties and the school counselors’ luncheon.

STAFF REPORT – OFFICE SERVICES: Robb Shaver presented the monthly Office Services report. Mr. Shaver presented to the Board regarding CREA’s RC3 Cybersecurity Self-Assessment License Program and requested the Board approve participation in that program

- ◆ **By motion made, seconded, and carried, the Board approved MCREA’s participation in CREA’s RC3 Cybersecurity Self-Assessment Program.**

FINANCIAL REPORT: Mr. Shaver reviewed the details of his customary monthly financial statements and reports. Mr. Shaver presented the 2020 Operating Budget, 2020 Capital Budget, and MCREA’s 10-Year Financial Forecast and answered questions from the Board.

- ◆ **By motion made, seconded, and carried, the Board approved the 2020 Operating Budget as presented.**
- ◆ **By motion made, seconded, and carried, the Board approved the 2020 Capital Budget as presented.**
- ◆ **By motion made, seconded, and carried, the Board approved MCREA’s 10-Year Financial Forecast as presented.**

TREASURER’S REPORT: Brian Pabst 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 Graff ordered that the check register be filed.

MANAGER’S REPORT: Manager Frick presented his monthly report to the Board. Manager Frick and Attorney Richardson reported on the progress made in the connection to the sale of the Highway 34 headquarters location. Attorney Richardson requested that the Board adopt a resolution authorizing Manager Frick to execute the necessary documents to finalize that sale.

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

RESOLUTION AUTHORIZING SALE OF REAL PROPERTY AND EXECUTION OF NECESSARY DOCUMENTS

A RESOLUTION AUTHORIZING THE SALE OF CERTAIN MORGAN COUNTY, COLORADO REAL PROPERTY OWNED BE THE MORGAN COUNTY RURAL ELECTRIC ASSOCIATION AND AUTHORIZING GENERAL MANAGER, DAVID P. FRICK, TO EXECUTE ALL NECESSARY DOCUMENTS TO ACCOMPLISH THAT SALE

WHEREAS, the Board of Directors (Board) of the Morgan County Rural Electric Association (MCREA) have determined that it is in the interest of MCREA to sell certain real property more particularly described as:

LOT 2, REA MINOR SUBDIVISION IN THE W1/2NW1/4 OF SECTION 4, T3N, R57W OF THE 6TH P.M., MORGAN COUNTY, COLORADO.

More commonly known as 20169 U.S. Highway 34, Fort Morgan CO 80701.

(the “Property”); and

WHEREAS, MCREA has entered into a Contract of Sale dated July 11, 2019 to sell the Property to Ron M. Greene and Gayle F. Greene for a price of \$925,000.00 upon the terms and conditions more particularly described in said Contract of Sale; and

WHEREAS, in order to fulfill certain title requirements, the Board must resolve to authorize the sale of the Property and further must authorize David P. Frick, acting as General Manager, to execute any necessary documents in connection with the sale of the Property; and

WHEREAS, pursuant to MCREA’s bylaws, the Board has authority to authorize the sale of the Property and to authorize David P. Frick, as General Manager, to execute any necessary documents in connection with the sale of the Property.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MORGAN COUNTY RURAL ELECTRIC ASSOCIATION:

Section 1. The sale of the Property to Ron M. Greene and Gayle F. Greene at a price of \$925,000.00 and upon the terms and conditions described in the July 11, 2019 Contract of Sale, as the same may be amended, is hereby ratified, authorized, and approved.

Section 2. David P. Frick, acting as MCREA’s General Manager, is hereby authorized to sign any and all documents necessary to accomplish the aforementioned sale of the Property.

Section 3. The Board has been duly authorized in the premises.

ADOPTED this 25th day of November 2019.

CERTIFICATE OF SECRETARY

I, Larry D. Hoozee, Secretary of the Morgan County Rural Electric Association, do hereby certify that the above is a true and correct copy of the resolution, as adopted by the Board of Directors of the Morgan County Rural Electric Association at their meeting on November 25, 2019, and that said Resolution now appears in the records of our Minutes Book without changes or alterations.

Larry D. Hoozee, Secretary

(SEAL)

Manager Frick and Attorney Richardson reported on negotiations with Buildings By Design for the construction of a new mechanic shop.

- ◆ **By motion made, seconded, and carried, the Board authorized Manager Frick to contract with Buildings By Design for construction of a new mechanic shop at a maximum price of \$1,525,708, upon the terms and conditions presented.**

Manager Frick next presented staff's proposed revisions to Policies 6-3 ("Whistleblower Protection"), 10-3 ("Underground Distribution Facilities"), and 10-11 ("Interconnection of Distributed Resources").

- ◆ **By motion made, seconded, and carried, the Board adopted staff's proposed revisions to Policies 6-3 ("Whistleblower Protection"), 10-3 ("Underground Distribution Facilities"), and 10-11 ("Interconnection of Distributed Resources").**

PRESIDENT'S REPORT: President Graff had no report.

TRI-STATE G&T BOARD REPORT: Brian Schlagel 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: Timothy Peggram reported that the Western United Board had not met since MCREA's previous Board meeting but shared Western United's most recent financials.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: Dave Arndt reported on various legislative efforts the CREA is involved in, including election reform, solar on schools, and on-bill financing legislation.

OTHER MEETING REPORTS: Terry Linker reported on CREA's annual meeting, Brian Schlagel and Timothy Peggram reported on the Basin Electric Annual Meeting, and Timothy Peggram reported on the MidWest CEO hire.

EMERGENCY BUSINESS: None.

OLD BUSINESS: None.

NEW BUSINESS: Brian Pabst had questions about rules for banking MCREA employee paid time off, which Manager Frick answered.

There being no further business to consider, the meeting was declared adjourned 1:51 p.m.

Respectfully submitted:

Larry D. Hoozee, Secretary