

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

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

July 22, 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.

BUILDING BY DESIGN: Travis Lefever of Buildings By Design (BBD) presented an initial proposal for construction of a new mechanic's shop addition to the warehouse facility at the new headquarters. After questions asked and answered, the Board thanked Mr. LeFever with no formal action being taken.

APPROVAL OF MINUTES:

- ◆ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of June 24, 2019 were approved.**
- ◆ **By motion made, seconded, and carried, the minutes of the special meeting of the Board of Directors of July 11, 2019 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 25547 through 25584 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.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: Mr. Schlagel relayed feedback from a member that had experienced some recent service interruptions.

SAFETY & HEALTH REPORT: Manager Frick presented and summarized the monthly Safety and Health Report. Representatives from the Colorado Rural Electric Association had been to MCREA's facilities from June 17-19 to conduct the coop's Rural Electric Safety Accreditation Program recertification. MCREA demonstrated improvement in all evaluated categories since its 2016 recertification. MCREA crews received driver safety training during the preceding month.

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. MCREA participated in Bring Your Child to Work Day. Additionally, NRECA personnel presented to MCREA staff regarding NRECA's

retirement benefits. Lastly, Ms. Binder reported regarding the upcoming retirement of Mark Taylor and requested that the Board approve the traditional employee retirement gift.

- ◆ **By motion made, seconded, and carried, the Board approved the cooperative's traditional retirement gift for Mark Taylor's thirty-four years of service with MCREA.**

STAFF REPORT – ENGINEERING: Stephan Sundet presented the monthly engineering report to the Board. Mr. Sundet updated the Board on the process of finalizing easement acquisition for the ongoing 69kV line project, reported on a number of potential new large power loads in the service territory, and advised the Board that the cooperative had sent out bid solicitations on July 12 for its next construction work plan project.

STAFF REPORT – OPERATIONS: Bobby Brenton presented the monthly operations report to the Board. MCREA crews primarily focused on new residential construction projects and energizing Fort Morgan Airport hangars during the preceding month. Mr. Brenton presented photos showing MCREA crews' and contractor Altitude's work. Mr. Brenton closed by reporting that Alan Mason will begin serving as MCREA's line superintendent, effective August 1.

STAFF REPORT – MEMBER SERVICES: Dave Henderson presented the monthly Member Services Department report. MCREA crews installed one new residential solar net meter and the cooperative received a new solar net meter application. The Member Services Department continues preparation for the annual MCREA Invitational Golf Tournament, which has a full field, as well as preparing to host information booths at the upcoming Morgan County Fair and National Night Out.

STAFF REPORT – OFFICE SERVICES: Robb Shaver had no Office Services report.

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: 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. After discussion of Buildings By Design's proposal for the addition of a mechanic's shop to the new warehouse facility, the Board directed Manager Frick to continue those discussions with Buildings By Design.

- ◆ **By motion made, seconded, and carried, the Board authorized David Frick to execute the Letter of Intent on behalf of MCREA.**

Manager Frick next presented preliminary plans for the construction of a new mechanic's shop facility attached to the new warehouse. Next, Manager Frick reviewed with the Board Policy 1-2 (General Manager Duties and Responsibilities), Board Policy 6-2 ("Fraud and Dishonesty"), and Board Policy 10-2 ("Relocation of Association's Facilities"). Staff had no recommended revisions to any of those policies.

- ◆ **By motion made, seconded, and carried, the Board reaffirmed Policy 1-2.**
- ◆ **By motion made, seconded, and carried, the Board reaffirmed Policy 6-2.**
- ◆ **By motion made, seconded, and carried, the Board reaffirmed Policy 10-2.**

Lastly, Manager Frick presented comparison and analysis of MCREA, Poudre Valley REA, United Power, and Excel's irrigation rates.

PRESIDENT'S REPORT: President Graff thanked the Board for completing a performance survey.

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 last board meeting but presented regarding Western United's fiscal year-end financials.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: Dave Arndt reported that the CREA board has not met since MCREA's June board meeting.

OTHER MEETING REPORTS: Timothy Peggram reported on the status of Midwest's search for a new CEO and Brian Schlagel reported on his attendance at the CFC annual meeting.

EMERGENCY BUSINESS: None.

OLD BUSINESS: None.

NEW BUSINESS: President Graff reminded the Board of the MCREA Invitational Golf Tournament.

There being no further business to consider, the meeting was declared adjourned 1:41 p.m.

Respectfully submitted:

Larry D. Hoozee, Secretary