

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

Minutes of Regular Board Meeting

Headquarters Building – Fort Morgan, Colorado

September 16, 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 Pegram, 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.

BUILDINGS BY DESIGN: Travis Lefever of Buildings by Design presented to the Board proposed schematics and budgeting for the construction of a mechanic's facility addition at the cooperative's Barlow Road headquarters location. Mr. LeFever reported that a spring 2020 completion date for that project may be possible.

APPROVAL OF MINUTES:

- ◆ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of August 26, 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 25630 through 25665 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.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: Director Terry Tormohlen reported that members in his district have received solicitations regarding community solar installations.

SAFETY & HEALTH REPORT: Manager Frick presented and summarized the monthly Safety and Health Report. MCREA staff reviewed and discussed the Federated and CREA monthly "near miss" reports. The Joint Health and Safety Committee met on September 10 regarding development and implementation of 2020 Safety Improvement Plans. CREA was on-site from September 9th through 12th for crew safety observations and conducted an active shooter class.

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 informed the Board of the need to appoint a voting delegate and alternate delegate for the upcoming NRECA director elections.

STAFF REPORT – ENGINEERING: Stephan Sundet presented the monthly engineering report to the Board. Mr. Sundet updated the Board regarding the status of potential new large power loads. Mr. Sundet sent bid solicitation packets out to ten consulting firms for a design project, which includes design work for two new substations and eight miles of new transmission line.

STAFF REPORT – OPERATIONS: Bobby Brenton presented the monthly operations report to the Board. MCREA crews continue to work on residential construction, with eighty-one new lots in the Wiggins area requiring electrification in the upcoming months. Additionally, crews continue work on 2019 pole changeouts, with approximately seven to eight poles remaining to be changed out this year. Lastly, Mr. Brenton updated the Board regarding Altitude’s work pursuant to the construction work plan contract.

STAFF REPORT – MEMBER SERVICES: Dave Henderson presented the monthly Member Services Department report. MCREA will conduct drawings for bill credits in celebration of “Cooperative Month” this October. The Member Services Department has scheduled a school counselor’s luncheon for October 24 to present information on the lineman scholarship, youth programs, and "Story Behind the Switch" program. MCREA is sponsoring the Pedal the Plains bicycle tour, in conjunction with CREA. That event will take place September 13-15th in southeastern Colorado. Mr. Henderson reported that Mark Taylor’s MCREA retirement party is scheduled for September 27th at 2:30. Lastly, Mr. Henderson played MCREA and Tri-State’s radio advertisement, featuring Denver Broncos and Wiggins High School alumna, Dalton Risner.

STAFF REPORT – OFFICE SERVICES: Robb Shaver presented the monthly Office Services report. Jackson Thornton submitted a proposal to perform the MCREA’s financial audit for 2019 and 2020 at a price of \$13,400.00 for the first year and \$13,900.00 for the second year.

- ◆ **By motion made, seconded, and carried, the Board accepted Jackson Thornton’s proposal for a two-year engagement for preparing MCREA’s financial audit at a cost of \$13,400.00 for 2019 and \$13,900.00 for 2020.**

FINANCIAL REPORT: Mr. Shaver reviewed the details of his customary monthly financial statements and reports. Mr. Shaver presented data demonstrating MCREA’s exceptional growth in recent years, particularly in the industrial and large power rate classes. MCREA remain close to budget for 2019, despite irrigation members sales being lower than anticipated. 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. Attorney Richardson reported to the Board regarding the status of MCREA’s pending minor subdivision application and lender requirements in connection with the sale of the Highway 34 headquarters location. The Board directed Manager to keep working with Buildings By Design regarding planning for the construction of a mechanic’s addition to the warehouse location behind the Barlow Road headquarters. Policies 1-4 (Signing of Documents), 9-2 (Employee Communication Procedure), and 9-18 (Violence in the Workplace) were reviewed by staff and staff recommended they be reaffirmed with no revisions.

- ◆ **By motion made, seconded, and carried, the Board reaffirmed Policies 1-4 (Signing of Documents), 9-2 (Employee Communication Procedure), and 9-18 (Violence in the Workplace).**

PRESIDENT’S REPORT: President Graff appointed Larry Hoozee as voting delegate for the NRECA director elections. President Graff will serve as alternate delegate.

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 regarding his attendance at the most recent Western United board meeting.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: Dave Arndt reported on Colorado Rural Electric Association Board’s most recent board meeting, including regarding a presentation that state congressman Chris Hansen gave to the CREA board.

OTHER MEETING REPORTS: Timothy Peggram reported on the search committee for a new Midwest CEO.

EMERGENCY BUSINESS: None.

OLD BUSINESS: None.

NEW BUSINESS: The Board discussed potentially arranging for a new cost of service study with no formal action taken.

There being no further business to consider, the meeting was declared adjourned 2:23 p.m.

Respectfully submitted:

Larry D. Hoozee, Secretary