

# **MORGAN COUNTY RURAL ELECTRIC ASSOCIATION**

## **Minutes of Regular Board Meeting**

**Headquarters Building – Fort Morgan, Colorado**

**February 24, 2020:** 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:**

- ◆ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of January 27, 2020 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 25801 through 25836 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**CANCELLED MEMBERSHIPS:** The Directors reviewed the monthly list of members who had withdrawn from the cooperative since the last meeting of the Board. Terry Tormohlen had questions regarding cancelled memberships patterns and discussion followed.

**MEMBER INPUT:** Terry Linker reported regarding a member's questions regarding rate differences between MCREA and Excel. Discussion followed.

**SAFETY & HEALTH REPORT:** Manager Frick presented and summarized the monthly Safety and Health Report. The Joint Health and Safety Committee met on February 12, 2020 and reviewed the Commitment to Safety Program; Federated Insurance's Injuries, Near Misses, and Damages report; and reviewed MCREA's Safety Improvement Plans for 2020. In conjunction with CREA, MCREA conducted its annual personal ground and insulated stick testing from January 27<sup>th</sup> through 30<sup>th</sup>. Manager Frick also reported instances of damage to cooperative-owned property.

**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. She also reminded the Board of the need to elect officers after the 2020 membership meeting.

**STAFF REPORT – ENGINEERING:** Stephan Sundet presented the monthly engineering report to the Board. Mr. Sundet presented to the Board regarding the Stoneham Substation project. MCREA is working to acquire transmission line easements necessary to complete that project. Larry Hoozee disclosed to the Board a potential conflict of interest, due to Mr. Hoozee being a member and director for Pro-Colorado Pathways. Pro-Colorado Pathways is representing landowners in negotiations with MCREA for easements necessary for the Stoneham Substation project. Mr. Hoozee then excused himself from the room.

- ◆ **By motion made, seconded, and carried, the Board authorized the use of MCREA's condemnation authority in connection with acquiring necessary real property interests for the Stoneham Substation project, in the event MCREA staff determines it necessary to do so.**

Mr. Hoozee then was invited back into the room.

Mr. Sundet presented the bids received for the Last Chance Substation project and recommended the Board award the bid to contractor Altitude.

- ◆ **By motion made, seconded, and carried, the Board awarded contractor Altitude the bid for the Last Chance Substation project as a contract price of \$232,955.88.**

Mr. Sundet reported that MCREA had recently contracted with a private company to utilize drones to inspect MCREA electrical line. It took the drones 2.5 days to inspect approximately 24 miles of line.

Lastly, Mr. Sundet reported to the Board regarding MCREA's forecast for large power loads. MCREA has a total of 39 loads in excess of 350 kVa and added 10 such loads in 2019 alone.

**STAFF REPORT – OPERATIONS:** Bobby Brenton presented the monthly operations report to the Board. MCREA crews continue to work at installing new residential and industrial service locations. Mr. Brenton also reported on contractor Altitude's Construction Work Plan progress.

**STAFF REPORT – MEMBER SERVICES:** Dave Henderson presented the monthly Member Services Department report. Mr. Henderson reported that three nominating petitions had been returned for the upcoming director election at the Annual Meeting. The candidates for the three districts ran unopposed. Secretary Hoozee certified that the nominating petitions for Dave Arndt, Terry Linker, and Timothy Peggram Hoozee are in conformity with MCREA's Bylaws and C.R.S. § 40-9.5-110.

- ◆ **By motion made, seconded, and carried, the Board accepted Secretary Hoozee's certification of the nominating petitions.**

The Member Services Department had a presence at the Northeast Colorado Workforce Day, presented the "Story Behind the Switch" program at local schools, and continued annual meeting preparation work during the preceding month. Mr. Henderson also reported on upcoming scholarship committee interviews and on the March 1, 2020 deadline for MCREA's lineman scholarship.

**STAFF REPORT – OFFICE SERVICES:** Robb Shaver presented the monthly Office Services report.

**FINANCIAL REPORT:** Mr. Shaver reviewed the details of his customary monthly financial statements and reports. Mr. Shaver presented to the Board regarding Tri-State Generation & Transmission's anticipated annual capital credit allocation. 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. Manager Frick showed photographs to the Board depicting construction project at the new mechanic's shop facility. Manager Frick also reported to the Board regarding a recent meeting with Ron Greene and Gary Harms regarding MCREA's lease on the mechanic's shop at the cooperative's former Highway 34 location. Next, Manager Frick reported regarding a recent meeting with Noble staff. Lastly, Manager Frick and Attorney Richardson updated the Board regarding a member billing dispute.

**PRESIDENT'S REPORT:** None.

**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. Mr. Schlagel reported that Tri-State G&T had requested that its cooperative members appoint their delegates in February, so that all member cooperatives seats would turn over around the same time.

- ◆ **By motion made, seconded, and carried, the Board elected Mr. Schlagel as its 2020 delegate to the Tri-State Generation & Transmission board of directors, or until his successor is elected.**

**WESTERN UNITED BOARD REPORT:** Timothy Peggram reported that the Western United annual meeting.

**COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT:** Dave Arndt reported on his attendance at CREA's board meeting, as MCREA's delegate director. Mr. Arndt reported regarding a proposed amendment to CREA's bylaws, which would increase the notice requirement for member withdrawal. Mr. Arndt also reported on proposed legislation pending which would affect distribution cooperatives.

**OTHER MEETING REPORTS:** Cary Wickstrom reported on his attendance at the CREA annual meeting.

**EMERGENCY BUSINESS:** President Graff informed the Board of the need to appoint a voting delegate and alternate for the Tri-State Generation & Transmission annual meeting. He appointed himself as delegate and Mr. Hoozee as alternate.

**OLD BUSINESS:** Manager Frick reported on an injured lineman. Attorney Richardson reported regarding Colorado PUC litigation involving distribution cooperatives and Tri-State Generation & Transmission.

**NEW BUSINESS:** None.

There being no further business to consider, the meeting was declared adjourned 1:53 p.m.

Respectfully submitted:

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Larry D. Hoozee, Secretary