

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

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

July 27, 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, Terry Tormohlen, and Cary Wickstrom. Absent: Timothy Peggram.

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 June 22, 2020 regular Board meeting.

- ◆ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of June 22, 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 25959 through 26001 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who had withdrawn from the cooperative since the last meeting of the Board.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: Various Directors reported regarding questions and feedback they had received regarding a recent solicitation from the Association to its members asking them to submit comment to the Colorado Public Utilities regarding the United Power and La Plata Electric Association exit charge proceeding. Discussion followed.

SAFETY & HEALTH REPORT: Manager Frick presented and summarized the monthly Safety and Health Report. The Joint Health and Safety Committee met and reviewed the preceding month's Federated Insurance Near Misses Report. MCREA personnel attended an online training presented by Colorado Rural Electric Association regarding Blood-Borne Pathogens, Fire Extinguisher, Haz Comm/SDS, and Pole Top/Bucket Rescue. Manager Frick also reviewed the Association's safety inspections to date in 2020 and assessments and reported on instances of damage to cooperative property.

STAFF REPORT – HUMAN RESOURCES: Kristie Binder reported upcoming virtual meetings for Directors and described online balloting and voting procedures. She reminded the Board of the need to appoint a voting delegate for the upcoming National Cooperative Services Corporation election. Ms. Binder and the Board discussed preferences regarding publication of Director information on the Association website and the Board consensus was to continue publishing that information in the same form as it has previously.

STAFF REPORT – ENGINEERING: Stephan Sundet presented the monthly engineering report to the Board. The Engineering Department is currently seeking applicants for a GIS Specialist position. Mr. Sundet reported on a request for a prospective new 1-1.5-megawatt facility. Mr. Sundet presented regarding plans for installation of a new metering point at the West Plains facility, which will allow metering of electricity wheeled between the Association and Highline Electric Association.

STAFF REPORT – OPERATIONS: Bobby Brenton presented the monthly operations report to the Board. MCREA crews worked on new construction for residential and irrigation members, continued work on 2020 pole changeouts, and have been performing testing on Association substations. Contractors Altitude and Great Plains continue work on line rebuild projects.

Mr. Linker had questions about an observed downed line, which were answered. Mr. Arndt and Mr. Pabst had questions regarding recent outages, which Mr. Brenton explained were caused by a third-party tree trimmer contacting an Association line.

STAFF REPORT – MEMBER SERVICES: Rob Baranowski presented the monthly Member Services Department report. Mr. Baranowski described his departments recent grass root advocacy efforts to promote causes favorable to the Association. He also described efforts being made to engage the Association’s younger members, including photo and coloring contests, and discussed upcoming community engagement efforts. Lastly, Mr. Baranowski presented slides to the Board demonstrating the Association’s outage data systems.

STAFF REPORT – OFFICE SERVICES: Robb Shaver presented the monthly Office Services report. Mr. Shaver presented data comparing the costs of the Association’s 2016 through 2020 annual meetings of the membership. The 2020 “virtual” edition of the annual meeting was significantly less expensive for the Association. Mr. Shaver also presented regarding the “Flexible Financing Act,” proposed federal legislation which would allow the Association to refinance its RUS loans.

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: Terry Linker 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.

MANAGER’S REPORT: Manager Frick presented his monthly report to the Board. Manager Frick offered to give the Directors a tour of the recently completed mechanic’s shop.

Manager Frick next directed the Board’s attention to the staff’s recommended revisions to Policy 3-2, entitled “Financial Goals Policy,” which had previously been provided for review.

- ◆ **By motion made, seconded, and carried, the Board adopted staff’s proposed revisions to Policy 3-2, entitled “Financial Goals Policy.”**

Manager Frick next directed the Board's attention to Policy 5-4, entitled "Hazard Communication" and Policy 6-1, entitled "General Business Ethics." Manager Frick reported that staff recommended reaffirmation of these policies without change.

- ◆ **By motion made, seconded, and carried, the Board reaffirmed Policy 5-4, entitled "Hazard Communication" and Policy 6-1, entitled "General Business Ethics."**

Manager Frick next reported on Member Services Department initiatives and discussion followed.

Attorney Richardson reported on various state court, Colorado PUC, and FERC litigation affecting the Association.

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 interim delegate on the Tri-State G&T board.

WESTERN UNITED BOARD REPORT: Mr. Linker reported that the Western United Board had not met since the previous MCREA Board Meeting.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: None.

OTHER MEETING REPORTS: None.

CALENDAR OF EVENTS. President Wickstrom reminded the Board that its regular August meeting is scheduled for August 24 at 9:00 a.m.

EMERGENCY BUSINESS: None.

OLD BUSINESS: The Board discussed the matter of appointing Mr. Schlagel's successor on the Board. President Wickstrom directed the Board to come to the August regular meeting prepared to vote on a replacement director. President Wickstrom also led the Board in a discussion regarding Director compensation.

NEW BUSINESS: Mr. Graff reported regarding Donny Edson's organizing of a charity golf tournament to benefit the Association lineman scholarship, due to the cancellation of the 2020 MCREA Invitational Golf Tournament due to the Covid-19 pandemic. Discussion followed. The Board directed Association staff to bring the Board recommendations regarding whether to continue the MCREA Invitational Golf Tournament moving forward, and if so, in what form. President Wickstrom requested that staff present those recommendations at the Board's November 2020 meeting.

There being no further business to consider, the meeting was declared adjourned 2:49 p.m.

Respectfully submitted:

Larry D. Hoozee, Secretary