

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

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

May 18, 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 by video conference were: Dave Arndt, Randolph D. Graff, Brian Pabst, Timothy Peggram, Brian D. Schlager, Terry Tormohlen, and Cary Wickstrom. Directors present by telephone were Larry D. Hoozee and Terry Linker. Absent: None.

Also present were David Frick, General Manager, in person, Matthew Richardson, General Counsel, by video conference, and initially, those members of staff who personally provide monthly staff reports to the Board of Directors by video conference.

APPROVAL OF MINUTES:

- ◆ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of April 20, 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 25901 through 25927 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who had withdrawn from the cooperative since the last meeting of the Board.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: Mr. Pabst reported regarding a member question related to sourcing parts for MCREA pedestals. Discussion followed.

SAFETY & HEALTH REPORT: Manager Frick presented and summarized the monthly Safety and Health Report. The Joint Health and Safety Committee met via videoconference due to COVID-19 restrictions during the preceding month. The meetings covered a Federated Insurance-sponsored Safe Talk on Job Briefings and Planning and a discussion of Federated Insurance's Injuries, Near Misses, and Damages Report. Manager Frick also reported on instances of damage to cooperative property.

STAFF REPORT – HUMAN RESOURCES: Kristie Binder reported on the retirement of Dave Henderson of the Member Services Department and requested that the Board approve the Cooperative's customary retirement gift of \$10.00 for each of Mr. Henderson's twenty-two years as an MCREA employee.

- ◆ **By motion made, seconded, and carried, the Board approved the cooperative's customary retirement gift to Mr. Henderson of \$10.00 for each of his twenty-two years of service with MCREA.**

STAFF REPORT – ENGINEERING: Stephan Sundet presented the monthly engineering report to the Board. Mr. Sundet updated the Board on right-of-way acquisition progress in connection

with the Last Chance Substation construction project. Mr. Sundet also reported on a recent Engineering Department employee resignation.

STAFF REPORT – OPERATIONS: Bobby Brenton presented the monthly operations report to the Board. MCREA crews continued installing new residential and industrial service locations, as well as continued work on 2020 pole changeouts during the preceding month. Mr. Brenton updated the Board regarding contractors Altitude and Great Plains Power’s progress on line rebuild and workplan projects. Lastly, Mr. Brenton presented photographs depicting construction progress at the Last Chance Substation.

STAFF REPORT – MEMBER SERVICES: Dave Henderson presented the monthly Member Services Department report. Mr. Henderson reported on the upcoming “telephone town hall-style” annual meeting of the MCREA membership. That meeting had to be rescheduled from the customary March date due to the COVID-19 restrictions against public gatherings. The meeting is rescheduled for the morning of May 27 and will be conducted via teleconference. Members will have the ability to vote on action items using their telephones. Next, Mr. Henderson reported that his department had not made plans for the 2020 MCREA Invitational Golf Tournament, due to economic uncertainty caused by the COVID-19 pandemic and recommended the Board cancel the 2020 tournament. After discussion,

- ◆ **By motion made, seconded, and carried 7-1, the Board cancelled the 2020 MCREA Invitational Golf Tournament.**

STAFF REPORT – OFFICE SERVICES: Robb Shaver presented the monthly Office Services report. Mr. Shaver presented long term analysis of MCREA’s debt position. He also presented Kevin S. Kelso, C.P.A., P.C., P.A.’s (“Kelso”) audit of MCREA’s 2019 financial statements. Kelso rendered an unqualified opinion. Discussion followed and questions were asked and answered.

- ◆ **By motion made, seconded, and carried, the Board accepted Kelso’s audit of MCREA’s 2019 financial statements.**

FINANCIAL REPORT: Mr. Shaver reviewed the details of his customary monthly financial statements and reports, including analysis of the impact of COVID-19 on MCREA’s revenues. MCREA maintains a healthy financial position despite the immediate impacts of the global pandemic. 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 reported that MCREA had moved into the newly constructed mechanic’s shop and had given up its lease on the previous facility. Manager Frick presented photographs of the new mechanic’s shop.

Manager Frick next directed the Board’s attention to the staff’s recommended revisions to Policy 1-7B, entitled “Extended Group Medical Insurance Program for Directors Initially Elected or Appointed after January 1, 2013,” which had previously been provided for review.

- ◆ **By motion made, seconded, and carried, the Board adopted staff’s proposed revisions to Policy 1-7B, entitled “Extended Group Medical Insurance Program for Directors Initially Elected or Appointed after January 1, 2013.”**

Manager Frick next directed the Board’s attention to the staff’s recommended revisions to Policy 9-13A, entitled “Employee Substance Abuse Policy and Testing Procedures for a Drug Free Workplace DOT Regulated Positions,” which had previously been provided for review.

- ◆ **By motion made, seconded, and carried, the Board adopted staff’s proposed revisions to Policy 9-13A, entitled “Employee Substance Abuse Policy and Testing Procedures for a Drug Free Workplace DOT-Regulated Positions.”**

Manager Frick next directed the Board’s attention to the staff’s recommended revisions to Policy 9-13B, entitled “Employee Substance Abuse Policy and Testing Procedures for a Drug Free Workplace Non-DOT Regulated Positions,” which had previously been provided for review.

- ◆ **By motion made, seconded, and carried, the Board adopted staff’s proposed revisions to Policy 9-13B, entitled “Employee Substance Abuse Policy and Testing Procedures for a Drug Free Workplace Non-DOT Regulated Positions.”**

Manager Frick next directed the Board’s attention to the staff’s recommended revisions to Policy 10-5, entitled “Metering Construction Standards,” which had previously been provided for review.

- ◆ **By motion made, seconded, and carried, the Board adopted staff’s proposed revisions to Policy 10-5, entitled “Metering Construction Standards.”**

The Board took a brief recess and members of staff exited the meeting.

Manager Frick reported regarding that he plans to have the Member Services Department become more active in communication with MCREA membership on matters affecting distribution cooperatives.

PRESIDENT’S REPORT: None.

TRI-STATE G&T BOARD REPORT: President 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: Timothy Pegram advised that the Western United Board postponed its upcoming meeting until May 28, when it plans to meet by telephone due COVID-19 restrictions. Mr. Pegram presented Western United’s most recent financial statements. Western United continues to experience record sales numbers.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: Dave Arndt reported that the on the Colorado legislative matters affecting MCREA. He also reported on CREA dues and budgeting matters.

OTHER MEETING REPORTS: Attorney Richardson reported on his attendance at the recent CREA attorney group meeting, which was held by telephone due to COVID-19.

CALENDAR OF EVENTS. Mr. Arndt moved that MCREA cancel the customary June 2020 employee appreciation picnic, due to COVID-19 restrictions, which prohibit gatherings of more than ten people. After discussion, **it was seconded and carried 7-1**

- ◆ **That MCREA cancel its June 2020 employee appreciation picnic.**

Next, the Board engaged in discussion regarding whether it should hold its regular June 2020 meeting in person or via videoconference. The matter was tabled with no formal action to determine what executive and public health restrictions may be in place at the time of the meeting.

EMERGENCY BUSINESS: None.

OLD BUSINESS: None.

NEW BUSINESS: Manager Frick reported that he had signed a letter of support on behalf of MCREA to the FERC chairman, along with eight other Colorado cooperatives, expressing support of Tri-State G&T's petition to become FERC jurisdictional.

Mr. Hoozee asked whether anyone potential appointees for Mr. Schlagel's vacant Board seat had been identified. Discussion followed.

There being no further business to consider, the meeting was declared adjourned 12:37 p.m.

Respectfully submitted:

Larry D. Hoozee, Secretary