

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

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

October 26, 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 Jim Bostron, Randolph D. Graff, Larry D. Hoozee, Terry Linker, Brian Pabst, Timothy Peggram, Terry Tormohlen, and Cary Wickstrom. Dave Arndt appeared by telephone. 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: The Board reviewed draft minutes from the September 28, 2020 regular Board meeting and corrections were proposed.

- ◆ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of September 28, 2020 were approved as amended.**

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 26083 through 26122 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who had withdrawn from the cooperative since the last meeting of the Board.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: None.

SAFETY & HEALTH REPORT: Manager Frick presented and summarized the monthly Safety and Health Report. CREA was on site to conduct safety testing, training, and recertification during the preceding month. Manager Frick also reviewed the Association's safety inspections and assessments to date for the year and reported on instances of damage to MCREA property.

STAFF REPORT – HUMAN RESOURCES: Kristie Binder presented the Human Resources report. Ms. Binder reviewed the agenda for upcoming Basin Electric's 2020 Annual Meeting, the CREA Fall Meeting, and the Mid-West Electric Annual Meeting. She also reported that NRECA's PowerXchange meeting is scheduled for late February, but that dates are subject to change.

STAFF REPORT – ENGINEERING: Stephan Sundet presented the monthly Engineering report to the Board. Mr. Sundet reviewed upcoming Construction Work Plan projects, primarily consisting of line and pole replacement and rebuild projects. He also presented his monthly update on peaks and load factors for large load members.

STAFF REPORT – OPERATIONS: Bobby Brenton presented the monthly operations report to the Board. MCREA crews continue to work on new service installations and pole changeouts. MCREA crews installed 16 new residential locations and a master meter for an industrial member during the preceding month. They also worked on upgrades, line rebuilds, and irrigation well

installations. Mr. Brenton updated the Board on the activities of contractors Altitude Energy and Great Plains Power.

STAFF REPORT – MEMBER SERVICES: Manager Frick presented the Member Services report to the Board. Member Services has received an increase in inquiries for solar net meters recently due to an upcoming decrease in tax credit for solar net meters. Manager Frick reported that he is encouraged that the Association’s social media efforts are having a positive member engagement effect. Manager Frick reviewed positively trending analytic data regarding social media engagement increases. Manager Frick advised the Board that the Association will be conducting a holiday photo contest, in lieu of the traditional annual holiday light contest. Manager Frick presented to the Board regarding a charitable giving matching program administered by CoBank.

STAFF REPORT – OFFICE SERVICES: Robb Shaver presented the monthly Office Services report. Mr. Shaver presented various proposals for 2020 capital credit retirements. Questions were asked and answered, and discussion followed.

- ◆ **By motion made, seconded, and carried, the Board approved the retirement of \$304,204.25 of Morgan County Rural Electric Association patronage capital which accrued and was allocated in 2008, \$370,180.86 of Morgan County Rural Electric Association patronage capital which accrued and was allocated in 2009, \$269,689.64 of Morgan County Rural Electric Association patronage capital which accrued and was allocated in 2010, \$1,081,547.62 of Morgan County Rural Electric Association patronage capital which accrued and was allocated in 2011, \$758,702.84 of Morgan County Rural Electric Association patronage capital which accrued and was allocated in 2012, \$516,230.63 of Morgan County Rural Electric Association patronage capital which accrued and was allocated in 2013, \$444,209.48 of Tri-State Generation and Transmission patronage capital which accrued in 2002, and \$255,234.68 of Tri-State Generation and Transmission patronage capital which accrued in 2003, for a total retirement of \$4,000,000.00.**

FINANCIAL REPORT: Mr. Shaver reviewed the details of his customary monthly financial statements and reports. Mr. Shaver reported that irrigation consumption is up in 2020, helping to offset lower industrial consumption. Mr. Shaver also discussed impacts of COVID-19 pandemic on revenues. 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.

Members of staff exited the meeting.

MANAGER’S REPORT: Manager Frick presented his monthly report to the Board. Manager Frick presented an overview to the Board of the of the Association’s organizational structure.

Attorney Richardson reported to the Board regarding litigation affecting the Association.

PRESIDENT’S REPORT: President Wickstrom informed the Board that he would communicate with the Board regarding plans for its next meeting if COVID-19 concerns increase.

TRI-STATE G&T BOARD REPORT: Mr. Graff reviewed and discussed happenings at Tri-State G&T as the Cooperative's delegate on the Tri-State G&T board.

WESTERN UNITED BOARD REPORT: Mr. Linker reported on the most recent Western United Board Meeting.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: Mr. Arndt reported that the CREA Board had not met during the preceding month. Mr. Arndt reported on CREA's efforts to help victims after the East Troublesome fire.

OTHER MEETING REPORTS: None.

CALENDAR OF EVENTS. President Wickstrom reminded the Board of upcoming CREA and Basin Electric Meetings.

EMERGENCY BUSINESS: None.

OLD BUSINESS: The Board discussed employee bonuses and the future plans for the annual Association Christmas party.

NEW BUSINESS: Manager Frick reported that he would be meeting with state legislators and asked the Board for input regarding specific issues they would like him to raise during those meetings. President Wickstrom appointed Timothy Peggram as the Association's delegate for the Midwest Electric Annual Meeting and Brian Pabst as his alternate.

There being no further business to consider, the meeting was declared adjourned 1:33 p.m.

Respectfully submitted:

Larry D. Hoozee, Secretary