

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

Minutes of Regular Board Meeting

Headquarters Building – Fort Morgan, Colorado

December 19, 2011: 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: David Arndt, Randolph D. Graff, Casper Hergenreter, Jr., Larry Hoozee, Wm. Grant Midcap, Timothy A. Pegram, Brian D. Schlagel, Cary Wickstrom and G. Allyn Wind. Also present were David Frick, General Manager, and, initially, those members of staff who personally provide monthly staff reports to the Board of Directors. Absent was David L. Roberts, Corporate Counsel.

APPROVAL OF MINUTES:

- ◆ **By motion made, seconded and carried the minutes of the regular meeting of the Board of Directors of November 28, 2011 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 23327, 23329, and 23334 through 23345 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board of Directors.

SAFETY & HEALTH REPORT: The monthly Safety and Health Report was presented and summarized by Gayle Volz. The President directed that the report be accepted and filed.

STAFF REPORT – HUMAN RESOURCES: Gayle Volz explained that no personnel hires, retirements or transfers were made in November; reported that two performance appraisals were performed during the month; reviewed the education and training conferences and sessions attended by named employees during the month; and called attention to a calendar of events for the remainder of 2011 and beginning of 2012. She called attention to a conflict of February's board meeting date and CREA's Annual Meeting dates.

- ◆ **By motion made, seconded and carried the following Resolution was adopted:**

RESOLUTION

BE IT RESOLVED that the February 27, 2012 Morgan County Rural Electric February board meeting date be changed to February 20, 2012.

Gayle then reported the premium quotes by Federated Rural Electric Insurance Exchange for increasing the amount of Morgan County REA's general liability coverage.

- ◆ **By motion made, seconded and carried the increase of Federated Rural Electric Insurance Exchange's general liability insurance coverage to \$15 million was approved.**

David Frick along with Gayle Volz reviewed MCREA's benefit package and presented the Board of Directors with a comprehensive benefit package comparison between MCREA and other cooperatives.

STAFF REPORT – ENGINEERING: Steve Sundet did not present a report from the engineering department.

STAFF REPORT – OPERATIONS: David Frick reported current construction activities and plans and gave an update on the ten mile project near Hoyt feeder number 3.

Frick then reported that MCREA's union employees recently voted to work a five day, eight hour day work schedule this coming summer instead of the four day, ten hour day schedule they worked last summer.

STAFF REPORT – MEMBER SERVICES: David Henderson reported that the cooperative performed its annual emergency restoration scenario on December 14th and the plan had been submitted to RUS.

Henderson reported that work is still in progress regarding the use of Diligent Board Book applications for Directors. He also noted that he and David Frick had attended a meeting with Tri-State regarding rates.

Henderson, next, asked for discussion on the electric bill format. After discussion it was decided there would be no changes to the bill format until 2013. This led to discussion of the prospective need for an independent cost of service study in the future.

Discussion regarding press releases followed and the suggestion was to send Directors copies of the press releases at the same time they are given to the media.

STAFF REPORT – OFFICE SERVICES: Debby Gachne updated the Directors on the receipt of capital credits, reporting that receipt of Tri-States capital credits will be deferred until January instead of being paid this December. She also reported that in accordance with last month's Resolution, checks to retire \$600,000 of patronage capital were mailed on Friday, December 16th.

Debby presented a list of accounts receivable totaling \$13,864.30 that have been processed for collection and are presently considered to be uncollectable, and she requested that they be written off as current accounts receivable.

- ◆ **Following further explanation, by motion made, seconded and carried the following Resolution was adopted:**

RESOLUTION

BE IT RESOLVED that all those delinquent accounts listed and presented for removal from the books and records as uncollectible be removed as current accounts receivable and booked in an appropriate account as currently uncollectable.

FINANCIAL REPORT: Debby Gachne then reviewed the monthly financial statements and reports. After questions, answers and discussion, President Hoozee directed that the monthly financial reports be filed.

TREASURER'S REPORT: The monthly Treasurer's report was presented by G. Allyn Wind. The attention of the Directors was called to the monthly accounts payable check register. The Directors reviewed the monthly register of accounts payable, reflecting checks issued during the previous month, and after questions and answers, the President ordered that the check register be filed.

MANAGER'S REPORT: General Manager, David Frick, presented the board with architect, Tim Habben's, suggestions and drawings for improving or rebuilding the cooperative's office building and facilities. Discussion followed.

Discussion regarding strategic planning followed. The Directors provided the General Manager with suggestions and direction regarding a future strategic planning meeting.

PRESIDENT'S REPORT: President Hoozee discussed voting delegate designations for upcoming meetings in 2012. President Hoozee then discussed the MCREA Christmas party and the service pins awarded to employees.

TRI-STATE G & T BOARD REPORT: Brian Schlagel reviewed and discussed 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: Tim Peggram reviewed and discussed the contents of a written report he prepared and presented as the cooperative's delegate Director to the Board of Directors of Western United Electric Supply Corporation.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: Wm. Midcap reviewed and discussed the contents of the customary written report he prepared and presented as the cooperative's delegate Director to the Board of Directors of CREA. Midcap discussed CREA concerns regarding the upcoming 2012 Legislative Conference.

OTHER MEETINGS: The 2011 Mid-West meeting held in early December was discussed and it was reported that Wm. Grant Midcap was re-elected to serve on Mid-West's board.

There being no further business to consider, the meeting was declared adjourned at approximately 1:30 p.m.

Respectfully submitted:

Casper Hergenreter, Jr., Secretary