

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

Minutes of Regular Board Meeting

Headquarters Building – Fort Morgan, Colorado

January 24, 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. Peggram, Brian D. Schlagel, and G. Allyn Wind. Also present were Fred R. Grantham, General Manager, David L. Roberts, Corporate 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 December 20, 2010 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 numbers 23084 through 23104 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board of Directors.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 reported that there has been no change in the cooperative's work-force since the last meeting of the Board and that two performance appraisals had been completed during the month. She then called attention to a report of education and training sessions attended by the employees during the month, and her calendar of future events. Gayle announced that Travis Schlueter had been moved to Journeyman Lineman status on December 1st.

STAFF REPORT – ENGINEERING: Steve Sundet reported progress in the plan to transfer specific elements of the cooperative's high voltage assets, lines and equipment to Tri-State G&T. Steve then reported present study and work in connection with tracing the precise source of, and blame for, difficulties currently experienced by ONEOK at its New Raymer station.

STAFF REPORT – MEMBER SERVICES: David Henderson outlined events planned for the Annual Membership Meeting on March 19th. He, then, disclosed the names of the scholarship winners for this year's NRECA Washington Youth Tour, and requested that the Directors approve the sponsoring of two students at this year's CREA Youth Camp in Steamboat Springs, Colorado.

- ◆ **Without further discussion, the sponsoring of two eligible and worthy students to the CREA Youth Camp, was approved by a motion for that purpose duly made, seconded and carried.**

Henderson then reported that his department is studying the possibility of changing some of the security and street lights on the system from mercury vapor technology to LED technology to conserve energy.

STAFF REPORT – OFFICE SERVICES: Debby Gachne first reported current interest rates charged by lenders to the rural electric industry, which, she explained, varied slightly from the previous month and noted that MCREA has received a patronage capital allocation from NISC of \$859.50 for 2010, as well as a 2010 patronage capital retirement check for \$1,902.00.

Debby announced that in keeping with the cooperative's tariff rates, rules and regulations the interest rate on deposits held for six months has been set at 0.34 percent.

Debby Gachne, then, called attention to the monthly report of delinquent accounts.

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

TREASURER'S REPORT: The 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: Manager Grantham presented his monthly report detailing the current business of the cooperative of special significance and his activities as manager since his last board report, and discussed items of current interest to the Directors. After questions and answers and a full discussion, President Hoozee directed that the Manager's report be filed.

The Manager reminded those present that Board Policies 9-10 through 9-16 and 10-1 through 10-10, as presently written and applicable, have been previously presented to the Directors for review and reconsideration since the last meeting of the Board. He went on to explain that each Policy has been reviewed by the members of the staff and have been accepted by them without revision. No action was taken by the Directors to further amend or revise the Board Policies under consideration.

PRESIDENT'S REPORT: President Hoozee mentioned that he would like to firm up the date for the Board Training Session scheduled for the month of March. After several dates were considered it was decided to schedule the session on March 25th.

APPOINTMENT OF DIRECTOR: The matter of filling the vacant seat on the Board of Directors was presented for consideration and after discussion of the matter,

- ◆ **By motion made, seconded and carried, Cary Wickstrom was appointed to fill the current vacancy on the Board of Directors of the cooperative, to serve for the unexpired term of Marguerite Baugh who retired from the Board last November.**

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. After questions and answers and relevant discussion President Hoozee directed that a copy of Schlagel's written report be filed.

WESTERN UNITED BOARD REPORT: Tim Peggram reported that he had no report this month, as the Western United Board hasn't met since his last report.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: Wm. Midcap announced that he, also, had no report since the CREA Board hasn't met since his report last month. He did report that San Miguel has decided to renew its membership in CREA.

There being no further business to discuss, the meeting was adjourned at 2:35 p.m.

Respectfully submitted:

Casper Hergenreter, Jr., Secretary