

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

Minutes of Regular Board Meeting

Headquarters Building – Fort Morgan, Colorado

June 27, 2011 the regular monthly meeting of the Board of Directors of Morgan County Rural Electric Association was called to order at 1:00 p.m. on the above date. Directors present were: David Arndt, Randolph D. Graff, Casper Hergenreter, Jr., Larry Hoozee, Wm. Grand Midcap, Timothy A. Peggram, Brian D. Schlagel, Cary Wickstrom and G. Allyn Wind. Also present were David Frick, Interim 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 May 23, 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 numbers 23182 through 23193 and 23195 through 23200 were approved. 23194 was approved in June.**

CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board of Directors.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 two performance appraisals have been completed since the last meeting of the Board, and that Alan Mason on June 1st and Justin Stair on June 15th were hired Apprentice Lineman. She called attention to the various education or job-training sessions attended by employees during the month. Gayle reminded those present that photographs of the Board members have been re-scheduled for the July 25th Board Meeting.

STAFF REPORT – ENGINEERING: Steve Sundet reported that he had no report this month.

STAFF REPORT – OPERATIONS: David Frick reported that several days ago a violent local wind-storm took down nine double-circuit poles one mile east of the Woodrow substation. Service was restored without a significant delay.

He announced that the cooperative is preparing to request bids to replace three pick-ups approved for purchase by this year's capital budget; and updated those present on the ONEOK plant issues, noting that Williams Co., as the new operator of the ONEOK New Raymer plant, will be performing some preliminary motor start testing this month and/or, later, in August.

STAFF REPORT – MEMBER SERVICES: David Henderson reported his conclusions and recommendations after completing his current study of the feasibility of serving remote stock wells with power generated on-site by solar collectors.

Next, he announced that the annual MCREA Scholarship Golf Tournament is scheduled for August 6th and 7th and that a full field of 136 players is expected. He, then, outlined the changes planned for the event.

Henderson reported that the cooperative will sponsor Mike McWilson, a Brush High School Teacher, to an education program sponsored by Tri State G&T and The Keystone Center to provide

non-biased information on “Climate Status Investigations” which teachers can take back to their classrooms.

David concluded his report by providing those present with an update with respect to the lighting projects for Empire Dairy and the Shell Service Station, as well as the on-going investigation, in conjunction with I/CAST, into the feasibility of establishing an Electric charging station for electrically powered motor vehicles.

STAFF REPORT – OFFICE SERVICES: Debby Gachne first reported May and June interest rates charged by lenders to the rural electric industry.

Debby then called attention to the current month’s delinquent Accounts Report.

FINANCIAL REPORT: Debby Gachne then reviewed the regularly presented monthly financial statements and reports. After questions and 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: Acting General Manager, David Frick reported that the staff has looked at the work-load of the SCADA department specialist, Mark Taylor, and suggests that another person be trained to share some of the responsibilities of that job. David explained that staff anticipates that one of the interested employees be selected to fill that niche.

MCREA REAL ESTATE: David Frick reported that an invitation to submit a proposal to appraise the vacant property of the cooperative was recently provided to five qualified appraisers in the county. Three bid forms were taken out and two bids were returned. Frick summarized the bids that were returned, and after consideration, deliberation and debate:

- ◆ **By motion made, seconded and carried, low bid of Michael Schreiner of Brush was approved and accepted.**

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 presented, reviewed and enlarged upon a short written summary of several significant items of business activities and developments and corporate sales figures and statistical information presented to the Board of Directors of Western United Electric Supply Corporation at the last meeting of the Board of Directors. The report included an announcement that a tentative site for the new Western United New Mexico warehouse has been selected in Albuquerque. President Hoozee directed that a copy of Peggram’s written report be filed.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: Wm. Midcap reviewed and discussed the contents of the monthly written summary report which he prepared and presented today as the cooperative’s delegate Director to the Board of Directors of CREA. President Hoozee directed that a copy of Midcap’s written report be filed.

OTHER MEETING REPORTS: David Arndt announced that he attended a recent meeting of COBank and provided a brief summary of the meeting, and those who attended the recent CFC Forum contributed their impressions and comments of topics and speakers at that meeting, all of which were

most favorable. Finally, Wm Midcap reported that he learned at the latest meeting of the Board of Directors of Mid-West Electric Consumers Association, that there is extreme over-abundance of water and is the major problem for the nation's Missouri River Basin this year.

There being no further business to consider, the meeting was adjourned at 4:55 p.m.

Respectfully submitted:

Casper Hergenreter, Jr., Secretary