

## **MORGAN COUNTY RURAL ELECTRIC ASSOCIATION**

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

**February 28, 2022:** 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 at the beginning of the meeting were Dave Arndt, Jim Bostron, Randolph D. Graff, Larry D. Hoozee, Terry Linker, Brian Pabst, Timothy Peggram, Terry Tormohlen, and Cary Wickstrom.

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 January 24, 2022, 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 January 24, 2022, 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 26726 through 26759 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**CANCELLED MEMBERSHIPS:** The Directors reviewed the monthly list of members who had withdrawn from the cooperative since the last meeting of the Board.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. Linker reported that he had received questions from members that had purchased water heaters through the Association about where they may go for future repairs to those water heaters, reported on member interest in a potential solar project, and reported on the health of a former Association director.

**SAFETY & HEALTH REPORT:** Manager Frick presented and summarized the monthly Safety and Health Report. The Operations Department discussed the CREA and Federated Near Miss Reports and underwent training on Regulators offered by Irby & Eaton at the Association Headquarters. Manager Frick reported on five instances of damage to Association property during the preceding month. The Joint Health & Safety Team met on February 8, 2022. Curt Graham from CREA conducted flagger training and performed a RESAP certification walkthrough of the Association warehouse area.

**STAFF REPORT – HUMAN RESOURCES:** Mr. Shaver, Mr. Sundet, and Mr. Brenton reported on new hires in the Member Services, Engineering, and Operations Departments, respectively. Questions were asked and answered. Manager Frick reported that Association business cards are available for Directors to take to meetings.

**STAFF REPORT – ENGINEERING:** Stephan Sundet presented the monthly engineering report. Mr. Sundet presented and summarized the Association's proposed 2022-2025 Construction Work Plan. Mr. Sundet informed that the Board that an archeologist must perform a field survey before the Construction Work Plan can be submitted to RUS for approval. Mr. Sundet also

presented maps depicting the locations of new services installed during the preceding year by township and county. Discussion followed regarding whether modification of the Association Director Districts is appropriate. Mr. Sundet presented the Association's Form 345, which is submitted to Tri-State Generation & Transmission annually and shows service locations which peak at over 350 kW. The Association added eight service locations to that list in 2021. Questions were asked and answered.

**STAFF REPORT – OPERATIONS:** Mr. Brenton presented the monthly Operations report. Association crews built five new service locations during the preceding month, including three new master meter locations with another master meter build in progress. Association crews changed out twenty-five poles during the preceding month and continue to perform line maintenance. The Association retired five service locations. Mr. Brenton updated the Board regarding progress of contractors Great Plains Power and Altitude Energy. Questions were asked and answered.

**STAFF REPORT – MEMBER SERVICES:** Mr. Baranowski presented the monthly Member Services report. Notice of the Association's Annual Meeting has been mailed and sixty-eight members have registered so far. The Association Scholarship Committee met and interviewed candidates on February 26, 2022. Mr. Baranowski reported on a member exploring a potential hydroelectric or solar net meter project. Mr. Baranowski also reported regarding net metering insurance policy requirements and discussion followed. Mr. Baranowski reported on the Association's annual "true-up" for net metered accounts. Questions were asked and answered, and discussion followed. Lastly, Mr. Baranowski reported on a potential large scale solar generation project in the Association territory. Discussion followed.

**STAFF REPORT – OFFICE SERVICES:** Robb Shaver presented the monthly Office Services report. Mr. Shaver reported to the Board regarding the Association's cybersecurity safety measures and cybersecurity training provided to Association employees. Mr. Shaver next directed the Board's attention to a report showing Tri-State Generation & Transmission's 2021 Preliminary Patronage Allocation and Balance by Member, which had previously been provided. Tri-State Generation & Transmission's preliminary 2021 patronage capital to the Association is \$686,720.00, which would bring the Association's total allocated but unretired patronage capital balance to \$18,778,181.00.

**FINANCIAL REPORT:** Mr. Shaver reviewed the details of his customary monthly financial statements and reports. After questions, answers, and discussion, the President directed that the monthly Financial Reports be filed.

**TREASURER'S REPORT:** Mr. 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 and the Board discussed the various proceedings pending before FERC involving Tri-State Generation & Transmission. Manager Frick circulated a draft letter of support from thirty-two cooperatives supportive of Tri-State Generation & Transmission. Manager Frick also informed the Board of a request from Poudre Valley Rural Electric Association ("PVREA") to assist in the FERC proceeding regarding determination of Tri-State's exist charge methodology. It was moved

and seconded to contribute \$20,000.00 to assist PVREA in the FERC exit charge methodology proceeding. It was moved and seconded to postpone the original motion until the Board's next regular meeting. After discussion, that motion failed. After further discussion, upon motion duly made, seconded, and unanimously carried, the original motion was amended to support PVREA in the FERC exit charge methodology proceeding in an amount and fee structure to be determined. After discussion,

- ◆ **It was unanimously carried that the Association support PVREA in the FERC exit charge methodology proceeding in an amount to be determined and according to a fee structure to be determined.**

Manager Frick informed the Board that he would present his employee update at a future meeting. He reported on his attendance at Tri-State Generation & Transmission's initial rate design committee meeting. Tri-State will be conducting a cost-of-service study to aid the rate committee. Manager Frick circulated a Summary Report from the Board's recent Strategic Planning session. Discussion followed. Manager Frick reminded the Board that the Association's Annual Meeting of the Membership is scheduled for the evening of March 22, 2022 at 6:00 p.m. Dinner will be served for the Directors and staff at 5:00 p.m.

**PRESIDENT'S REPORT:** President Wickstrom appointed Mr. Graff as the Association's delegate for the Tri-State Generation & Transmission Annual Meeting and Tim Pegram as his alternate.

Mr. Graff and Mr. Wickstrom exited the meeting at 12:15 p.m.

Vice President Pabst presided over the remainder of the meeting.

**TRI-STATE G&T BOARD REPORT:** Manager Frick reviewed and discussed happenings at Tri-State Generation & Transmission.

**WESTERN UNITED BOARD REPORT:** Mr. Linker reported on happenings at Western United, including review of its January 2022 Financial Report, which had previously been provided. Mr. Linker reported on Western United's effort to combat long lead times on product orders due to supply chain issues, as well as on Western United's admission of four new members. Questions were asked and answered, and discussion followed.

**COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT:** Mr. Arndt reported on recently introduced legislation from Colorado General Assembly's legislative session. Manager Frick reported on a joint meeting between the CREA Board and the Colorado Managers Association.

**OTHER MEETING REPORTS:** None.

**CALENDAR OF EVENTS.** Vice President Pabst directed the Board's attention to the calendar of events.

**EMERGENCY BUSINESS:** None.

**OLD BUSINESS:** None.

**NEW BUSINESS:** Manager Frick presented a chart depicting the number of members by Director District, which the Board reviewed.

There being no further business to consider, the meeting was declared adjourned 2:14 p.m.

Respectfully submitted:

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Terry Tormohlen, Secretary