

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

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

May 23, 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 were: Dave Arndt, Jim Bostron, Randolph D. Graff, Larry D. Hoozee, Terry Linker (by telephone initially), Brian Pabst, Timothy Peggram, Terry Tormohlen, and Cary Wickstrom. 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:

- ◆ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of April 23, 2022 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 26838 through 26870 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.

MEMBER INPUT: Mr. Pabst and Mr. Wickstrom reported on a complaint from a member regarding difficulty contacting Association staff with an issue. Manager Frick explained that the Association temporarily forwarded calls to the Cooperative Response Center during a recent Chalk Bluffs Substation outage.

SAFETY & HEALTH REPORT: Manager Frick presented and summarized the monthly Safety and Health Report. MCREA employees discussed CREA's Near Miss Reports, Federated's Litigation Report and Near Miss Reports, and Federated's Safe Talk Bulletin. The Joint Health & Safety Committee met on May 14, 2022 and discussed Commitment to Safety and reviewed Federated Insurance's Injuries, Near Misses & Damages Report. The Committee demonstrated a virtual reality safety training video for Association employees. Manager Frick reported on a public line contact that occurred on April 14, 2022, when a dump truck hit an overhead powerline. No injuries occurred and the line was repaired that day.

STAFF REPORT – HUMAN RESOURCES: Kristie Binder reported upcoming education and training seminars and other meetings, conferences, and events. Ms. Binder presented a proposed resolution from NRECA Resolution of the Board of Directors Authorizing the Amendment and Restatement of the Retirement Security and/or 401(K) Pension Plan.

- ◆ **By motion made, seconded, and carried, the Board approved the NRECA Resolution of the Board of Directors Authorizing the Amendment and Restatement of the Retirement Security and/or 401(K) Pension Plan as presented.**

STAFF REPORT – ENGINEERING: Stephan Sundet presented the monthly engineering report. The Association’s Environmental Report for its 2022-2025 Construction Work Plan has been submitted to RUS. Mr. Sundet updated the Board regarding prospective large power loads. Mr. Sundet also updated the Board regarding staff openings in the Engineering Department.

STAFF REPORT – OPERATIONS: Bobby Brenton presented the monthly operations report to the Board. Mr. Brenton reported on an outage at the Chalk Bluffs Substation. Indications are that lightning caused that outage. Mr. Brenton talked about necessary further repairs at that Substation. Affected members have been notified of future outages to accomplish that repair work. Questions were asked and answered. Association crews built to five new residential locations and installed two master meters during the preceding month. MCREA crews also replaced eighteen poles and retired four service locations. Contractor Altitude continues working on new construction work and pole changeouts and installation of crossarms and insulators. Altitude also installed severe weather ties and crossarm braces near the Chalk Bluffs Substation.

Mr. Linker entered the meeting at 9:48 a.m.

STAFF REPORT – MEMBER SERVICES: Rob Baranowski provided the Member Services report. Mr. Baranowski reported regarding the Association’s net metered accounts. The association has forty-nine commissioned solar net meters. Mr. Baranowski presented proposed additions to the Association’s net metering application process. Questions were asked and answered, and discussion followed.

- ◆ **By motion made, seconded, and carried, the Board approved the additions to the Association’s net metering application processes as presented with an additional requirement that residential distributed generation systems for newly constructed residences be limited to 3 kW hours per finished square foot.**

Mr. Baranowski next updated the Board regarding the two production meters on the Association system. Mr. Baranowski also reported that due to market conditions and employee turnover at Tri-State, issuance of a request for proposals for large scale solar project has been delayed. Mr. Baranowski reported on his presentation at the Brush Middle School career fair. Lastly, Mr. Baranowski reported on grants available for electric school buses.

STAFF REPORT – OFFICE SERVICES: Mr. Shaver presented the monthly Office Services report. Member feedback was generally positive regarding the new form of the Association’s monthly bill. Mr. Shaver and Mr. Baranowski presented a bid from LINX to install a new security intrusion system at the Association Headquarters at a cost of \$13,010.47. Questions were asked and answered, and discussion followed.

- ◆ **By motion made, seconded, and carried, the Board approved the bid from LINX to install a new security intrusion system at the Association Headquarters at a cost of \$13,010.47.**

Mr. Shaver presented the Association’s 2021 capital credit allocation. The Association allocated a total of \$5,359,374.20 in patronage capital for 2021. Questions were asked and answered.

FINANCIAL REPORT: Mr. Shaver reviewed the details of his customary monthly financial statements and reports. Mr. Shaver presented analysis of industry lender interest rates and the

impact of the Association's recent rate decrease on revenues across member rate classes. 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.

MANAGER'S REPORT: Manager Frick presented his monthly report to the Board. Manager Frick updated the Board regarding the FERC proceeding on Tri-State's contract termination payment methodology. Questions were asked and answered, and discussion followed.

Manager Frick reported that staff had reviewed Policy 2-2 "Sales of Electric Appliances, Equipment, Materials and Supplies" and recommended reaffirmation without revision.

- ◆ **By motion made, seconded, and carried, the Board reaffirmed Policy 2-2 "Sales of Electric Appliances, Equipment, Materials and Supplies" and recommend reaffirmation without revision.**

Manager Frick presented staff's proposed revisions to Policy 5-2 "Polychlorinated Biphenyls (PCBs)."

- ◆ **By motion made, seconded, and carried, the Board adopted as presented the proposed revisions to Policy 5-2 "Polychlorinated Biphenyls (PCBs)."**

Manager Frick reported that staff had reviewed Policy 10-6 "Member Power Quality Requirements" and recommended reaffirmation without revision.

- ◆ **By motion made, seconded, and carried, the Board reaffirmed Policy 10-6 "Member Power Quality Requirements" and recommend reaffirmation without revision.**

Manager Frick updated the Board regarding his participation on Tri-State's rate committee and regarding preparation for the Association's upcoming Customer Appreciation Day scheduled for June 16, 2022. Discussion followed.

PRESIDENT'S REPORT: None.

TRI-STATE G&T BOARD REPORT: Mr. Graff reported reviewed and discussed at length 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: The Board reviewed Western United's April 2022 financial report and discussion followed.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: Mr. Arndt presented to the Board regarding pending state legislation with implications for electrical cooperatives.

OTHER MEETING REPORTS: Mr. Peggram reported on his attendance at the NRECA Legislative Conference.

EMERGENCY BUSINESS: None.

OLD BUSINESS: None.

NEW BUSINESS: None.

There being no further business to consider, the meeting was declared adjourned 1:53 p.m.

Respectfully submitted:

Terry Tormohlen, Secretary