

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

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

October 24, 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, Brian Pabst, Terry Tormohlen, and Cary Wickstrom. Absent was Terry Linker.

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 September 26, 2022 regular Board meeting.

- ◆ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of September 26, 2022 were approved as presented.**

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 27027 through 27055 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who had withdrawn from the cooperative since the last meeting of the Board.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: None.

PURPA 111(d) STANDARDS HEARING: Attorney Richardson reported that non-regulated utilities which sold more than 500 million kW hours in a year are required to consider implementation of demand response and promotion of electric vehicle charging stations and recommended that the Board schedule a public hearing for such consideration at its August 2023 regular meeting.

- ◆ **By motion made, seconded, and carried, the Board resolved to schedule a hearing on consideration of the new PURPA standards on August 28, 2023.**

STAFF REPORT – MEMBER SERVICES: Mr. Baranowski presented the monthly Member Services report. The Association currently has fifty-five commissioned solar net meters on its system, with thirteen more applications currently pending. Mr. Baranowski reviewed expected net metered generation over the next twelve months. Questions were asked and answered, and discussion followed. Mr. Baranowski updated the Board regarding the Association's rollout of its new paperless billing program. Members that sign up for paperless billing by November 20, 2022 will receive a \$10.00 bill credit in January 2023. Questions were asked and answered, and discussion followed. Mr. Baranowski presented a proposal to increase the Association green power tariff to match Tri-State's corresponding tariff from \$.09 to \$.10 and reviewed the notice requirements for such increase. Discussion followed.

- ◆ **By motion made, seconded, and carried, the Association increase its Green Power Tariff from \$.09 to \$.10, effective February 1, 2023, and that the appropriate notice be published.**

Mr. Baranowski reported on reinstated, new, and discontinued beneficial electrification rebates for 2023.

SAFETY & HEALTH REPORT: Manager Frick presented and summarized the monthly Safety and Health Report. There were no injuries during the preceding month. Manager Frick reported on damage to an Association pole caused by a tractor. The Joint Health & Safety Committee met on October 11, 2023 and discussed Commitment to Safety, reviewed Federated Insurance’s Injuries, Near Misses, and Damages Report, and discussed the 2023 RESAP certification.

STAFF REPORT – HUMAN RESOURCES: Kristie Binder presented the Human Resources report. Ms. Binder presented the proposed Regular Board Meeting dates. Discussion followed. After discussion, it was moved, seconded, and unanimously carried that the following dates be established for the Board’s 2023 regular meetings, to be held at the Association Headquarters:

- ◆ **By motion made, seconded, and carried, the Board resolved to hold regular meetings at the Association Headquarters, commencing at 9:00 a.m.**

**January 23, 2023
February 27, 2023
March 27, 2023
April 24, 2023
May 22, 2023
June 26, 2023**

**July 24, 2023
August 28, 2023
September 25, 2023
October 23, 2023
November 27, 2023
December 18, 2023**

STAFF REPORT – ENGINEERING: Stephan Sundet presented the monthly engineering report. Mr. Sundet updated the Board regarding development of new large power loads. Mr. Sundet presented regarding bids received for the 2023-2024 Distribution Contract. The Association received six bids and Mr. Sundet recommended that the Association accept the low bid of \$4,428,867.71, which was submitted by Altitude Energy. Questions were asked and answered.

- ◆ **By motion made, seconded, and carried, the Board accepted the bid from Altitude Energy to perform the 2023-2024 Distribution Contract for \$4,428,867.71.**

Mr. Sundet reported on a rental agreement with ONEOK for storage of substation materials.

STAFF REPORT – OPERATIONS: Mr. Sundet presented the monthly Operations report. Mr. Sundet reported on personnel changes and an opening in the Operations Department. Association line crews worked on new construction, pole changeouts, and service retirements during the preceding month. Mr. Sundet updated the Board regarding progress of Altitude Energy and reported on recent service outages.

STAFF REPORT – OFFICE SERVICES: Robb Shaver presented the monthly Office Services report. Mr. Shaver presented various proposals for 2022 capital credit retirements. Questions were asked and answered, and discussion followed.

- ◆ **By motion made, seconded, and carried, the Board approved the retirement of \$4,106,572.22 of Morgan County Rural Electric Association patronage capital which accrued and was allocated in 2016 and \$227,033.28 of Tri-State Generation and Transmission patronage capital which accrued in 2004, for a total retirement of \$4,333,605.50.**

Retirement checks will be mailed to members during the first week of December. The next billing statement will include information for how members can apply their capital credit retirement as a credit against their bills.

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. Pabst 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 staff’s proposed revisions to Policy 2-6 “Nomination, Balloting, and Election of Directors.”

- ◆ **By motion made, seconded, and carried, the Board adopted as presented the proposed revisions to Policy 2-6 “Nomination, Balloting, and Election of Directors.”**

Manager Frick presented staff’s proposed revisions to Policy 3-2 “Financial Goal Policy.”

- ◆ **By motion made, seconded, and carried, the Board adopted as presented the proposed revisions to Policy 3-2 “Financial Goals Policy.”**

Manager Frick updated the Board regarding his participation on the Tri-State rate design committee and reported regarding the Association’s utilization of the Tri-State budget program. Manager Frick updated the Board regarding Association personnel matters and reported that the 2023 Member Appreciation Even has been scheduled for June 15, 2023.

PRESIDENT’S REPORT: President Wickstrom appointed Timothy Peggram as Association delegate for Basin Electric’s annual meeting and Dave Arndt as his alternate.

TRI-STATE G&T BOARD REPORT: Mr. Graff reviewed and discussed happenings at Tri-State G&T as the Cooperative’s delegate on the Tri-State G&T board.

WESTERN UNITED BOARD REPORT: None.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: None.

OTHER MEETING REPORTS: None.

CALENDAR OF EVENTS. None.

EMERGENCY BUSINESS: None.

OLD BUSINESS: None.

NEW BUSINESS: None.

There being no further business to consider, the meeting was declared adjourned 12:22 p.m.

Respectfully submitted:

Terry Tormohlen, Secretary