

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

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

November 27, 2023: The regular monthly meeting of the Board of Directors of Morgan County Rural Electric Association was called to order at approximately 9:00 a.m. on the above date. Directors present were: Dave Arndt, Jim Bostron, Larry D. Hoozee, Terry Linker, Brian Pabst, Timothy Peggram, Terry Tormohlen and Cary Wickstrom.

Also present were Association member Kyle Eiring and Association rate consultant, Robert Scrivener.

APPOINTMENT OF DISTRICT II DIRECTOR SEAT SPOT: President Wickstrom reminded the Board of the need to appoint a member to fill the unexpired portion of former Director Randolph Graff's term as District II Director.

- ♦ **By motion made, seconded, and carried, the Board appointed Kyle Eiring to serve the unexpired portion of Mr. Graff's term as Association District II Director, in accordance with Article IV, Section 5 of the Association Bylaws.**

COST OF SERVICE STUDY: Mr. Scrivener presented the Association's 2023 Cost of Service Study to the Board, including explanation of the assumptions and rate design methodology used, and recommendations for revisions to the Association rates. Questions were asked and answered, and discussion followed.

- ♦ **By motion made, seconded, and carried, the 2023 Cost of Service Study is adopted as presented.**

Mr. Scrivener exited the meeting at 10:06 a.m.

APPROVAL OF MINUTES: The Board reviewed the minutes of its October 23, 2023 regular meeting.

- ♦ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of October 23, 2023 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 27367 through 27397 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.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: The Board discussed some recent positive member feedback regarding Association staff's assistance in attempting to identify an electric service issue.

SAFETY & HEALTH REPORT: Manager Frick presented and summarized the monthly Safety and Health Report. MCREA staff reviewed CREA's Near Miss Reports, Federated Insurance's Litigation and Near Miss Reports, and underwent other safety training over the preceding month. Manager Frick reported on two instances of damage to cooperative property that occurred in October and reported on a public contact. Questions were asked and answered. Manager Frick reported on the October 10, 2023 meeting of the Association Joint Health & Safety Meeting. The Association will upgrade its training facilities and replace outdoor light fixtures as part of its 2024 Safety Improvement Plan.

STAFF REPORT – HUMAN RESOURCES: Ms. Binder reported regarding upcoming education and training seminars and other meetings, conferences, and events. Questions were asked and answered.

STAFF REPORT – ENGINEERING: Stephan Sundet presented the monthly engineering report. Mr. Sundet advised the Board regarding and Association request for proposals for a 2024 construction services contract. Discussion followed. Mr. Sundet also reported that bid packets have been circulated and a pre-bid meeting has been held in connection with an Association request for proposals for construction of a new substation. Questions were asked and answered.

STAFF REPORT – OPERATIONS: Alan Mason presented the monthly operations report. Association crews built nine new single-phase, seven new three-phase locations, and three service upgrades during the preceding month. Association crews are performing breaker changeouts at substation. Altitude Energy continues Construction Work Plan services for the Association. Mr. Mason updated the Board regarding work being performed by contractors Mountain Side and Big Horn. Mr. Mason reported to the Board regarding a public contact with an Association line. Questions were asked and answered.

STAFF REPORT – MEMBER SERVICES: Rob Baranowski provided the Member Services report. He directed the Board's attention to previously provided information regarding installed and pending net metered accounts. The Association presently has 80 solar net meters, one wind net meter, 14 pending applications for new solar meters, and one application to upsize an existing system. Questions were asked and answered regarding the annual net meter account true-up process. Mr. Baranowski informed the Board that the Association is required to provide thirty days' public notice of a proposed rate change. The Association publishes notice of proposed rate changes in the Colorado Country Life and mails notice to members that do not receive the Colorado Country Life. Questions were asked and answered.

- ◆ **By motion made, seconded, and carried, the proposed rates as contained in the 2023 Cost of Service Study are adopted effective February 1, 2024, and staff is directed to provide public notice of the rate change in accordance with C.R.S. § 40-9.5-106.**

STAFF REPORT – OFFICE SERVICES: Robb Shaver presented the monthly Office Services report. Mr. Shaver presented the Association's October 2023 financial reports. Questions were asked and answered. Mr. Shaver next presented the proposed 2024 Capital Budget. Questions were asked and answered.

- ◆ **By motion made, seconded, and carried, the Board approved the proposed 2024 Capital Budget as presented.**

Mr. Shaver next presented the detailed analysis of the proposed 2024 Operating Budget. Questions were asked and answered.

- ♦ **By motion made, seconded, and carried, the Board approved the proposed 2024 Operating Budget as presented.**

Mr. Shaver next presented the Association's proposed 10-year Financial forecast, along with detailed analysis. Questions were asked and answered.

- ♦ **By motion made, seconded, and carried, the Board approved the proposed 10-Year Financial Forecast as presented.**

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.

MANAGER'S REPORT: Manager Frick presented his monthly report to the Board.

Manager Frick presented staff's proposed revisions to Policy 1-8 "Organization Policy."

- ♦ **By motion made, seconded, and carried, the Board adopted as presented the proposed revisions to Policy 1-8 "Organization Policy."**

Manager Frick reported that staff had reviewed Policy 2-4 "Annual Meeting Drawing Prize" and recommended reaffirmation without revision.

- ♦ **By motion made, seconded, and carried, the Board reaffirmed Policy 2-4 "Annual Meeting Drawing Prize."**

Manager Frick presented staff's proposed revisions to Policy 2-5 "Member Requests for Association Information."

- ♦ **By motion made, seconded, and carried, the Board adopted as presented the proposed revisions to Policy 2-5 "Member Requests for Association Information."**

Manager Frick updated the Board regarding the Association staff's review of its Rules and Regulations. Manager Frick updated the Board regarding plans for the Association's Prospect Valley property. Discussion followed.

PRESIDENT'S REPORT: None.

TRI-STATE G&T BOARD REPORT: Mr. Hoozee and Attorney Richardson discussed happenings at Tri-State Generation & Transmission. Discussion followed.

WESTERN UNITED BOARD REPORT: Mr. Linker presented Western United's October 2023 Preliminary Sales and Financial Report. Questions were asked and answered.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: Mr. Arndt requested feedback on the recent CREA Energy Summit and reported on CREA's most recent board meeting. Mr. Arndt reviewed results of the fall election with implications for utilities.

OTHER MEETING REPORTS: President Wickstrom, Mr. Pabst, and Mr. Peggram reported on their attendance CREA Energy Summit.

EMERGENCY BUSINESS: None.

OLD BUSINESS: None.

NEW BUSINESS: President Wickstrom reminded the Board that the Association Christmas Party has been rescheduled for January 12, 2024, due to structural problems at the Elk's Club.

There being no further business to consider, the meeting was declared adjourned 3:18 p.m.

Respectfully submitted:

Terry Tormohlen, Secretary