

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

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

April 24, 2023: 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, Timothy Peggram, Terry Tormohlen, and Cary Wickstrom. Absent: 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:

- ♦ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of March 27, 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 27188 through 27210 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.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: Member input regarding capital credits was discussed.

SAFETY & HEALTH REPORT: Manager Frick presented and summarized the monthly Safety and Health Report. MCREA staff reviewed CREA Near Miss Reports, Federated Insurance's Litigation and Near Miss Reports, and received various other safety training in April. Manager Frick reported regarding several near miss incidents during the preceding month. Manager Frick asked if there were questions and there were none.

STAFF REPORT – HUMAN RESOURCES: Kristie Binder reported regarding upcoming education and training seminars and other meetings, conferences, and events. Ms. Binder advised the Board regarding NRECA's national discounts program. President Wickstrom requested that Ms. Binder provide conference costs and cancellation deadlines to directors when available.

STAFF REPORT – ENGINEERING: Stephan Sundet presented the monthly engineering report. Mr. Sundet reported on procurement of a transformer for an industrial member. Mr. Sundet reported on the Association's contract with Altitude Energy. Altitude has proposed amending the contract to account for increased costs of labor and equipment and the parties are in discussions. SBS has completed the Association's 2023 pole inspections. SBS inspected 3,166 poles and 37 of those were rejected. The inspection cost was \$74,356.50.

STAFF REPORT – OPERATIONS: Alan Mason presented the monthly operations report to the Board. MCREA crews built three new single-phase locations and seven new three-phase locations during the preceding month. The Association has finished its 2022 pole changeouts. Mr. Mason

updated the Board regarding Altitude's progress on the Association's Construction Work Plan projects. Mr. Mason reviewed the Association's outage report for the month of March. Questions were asked and answered. Mr. Mason showed photographs of the Wiggins Substation and discussed the cause of a recent outage.

STAFF REPORT – MEMBER SERVICES: Rob Baranowski provided the Member Services report. The Association currently has 65 net-metered accounts with 18 additional applications pending. Mr. Baranowski reported on an inquiry regarding Association participation in a potential large solar project. Mr. Baranowski updated the Board regarding the Association's radio advertising, participation in an NRECA grant funding consortium, and his attendance at the CREMS Member Services event in Buena Vista. Questions were asked and answered, and discussion followed.

STAFF REPORT – OFFICE SERVICES: Robb Shaver presented the monthly Office Services report. Mr. Shaver presented the Association's 2022 audit report, as prepared by Kelso Lynch. Kelso Lynch issued an unmodified opinion. The Board discussed whether to have Kelso Lynch present its report to the Board and the Board consensus was not to do so, because the Kelso Lynch had issued an unmodified opinion. Questions were asked and answered.

- ◆ **By motion made, seconded, and carried, the Board accepted the Association's 2022 Audit Report prepared by Kelso Lynch as it had been presented.**

Mr. Shaver presented a proposed engagement agreement to have Kelso Lynch perform the Association's audit for the year's ending in December 2023 and December 2024 and recommended that the Board approve the same.

- ◆ **By motion made, seconded, and carried, the Board accepted Kelso Lynch's proposed engagement agreement to perform the Association's audit for \$15,200 for the year ending December 2023 and \$15,800 for the year ending December 2024.**

Mr. Shaver reported regarding the Association's 2022 Capital Credit Allocation Notice.

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.

MANAGER'S REPORT: Manager Frick presented his monthly report to the Board. Manager Frick updated the Board regarding his continued participation on the Tri-State Rate Design Committee. Manager Frick reported to the Board regarding the development of an Association transmission rate. Discussion followed. Manager Frick reminded the Board of the upcoming Member Appreciation Event on June 15, 2023 and updated the Board regarding Association personnel matters, upcoming changes to Holy Cross Electric's rate structure, and proposed HB23-1282, which would place public utilities within the scope of the Colorado Consumer Protection Act.

PRESIDENT'S REPORT: President Wickstrom advised the Board regarding a proposal for periodically reviewing Board expenses. Discussion followed.

TRI-STATE G&T BOARD REPORT: The Board reviewed the Tri-State Generation & Transmission monthly report, which had previously been provided.

WESTERN UNITED BOARD REPORT: The Board reviewed the most recent Western United financial statements, which had previously been provided.

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

OTHER MEETING REPORTS: Directors reported on their 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 at 2:24 p.m.

Respectfully submitted:

Terry Tormohlen, Secretary