

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

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

July 25, 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, Terry Linker, Brian Pabst, Timothy Peggram, Terry Tormohlen, and Cary Wickstrom. Larry D. Hoozee entered the meeting at 11:35 a.m.

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 June 27, 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 26913 through 26945 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.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: Directors reported 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 July 12, 2022 and discussed Commitment to Safety and reviewed Federated Insurance's Injuries, Near Misses & Damages Report. The Committee also discussed the recent Customer Appreciation Day.

STAFF REPORT – HUMAN RESOURCES: Kristie Binder reported upcoming education and training seminars and other meetings, conferences, and events. Ms. Binder presented the proposed resolutions for the upcoming NRECA Region 7 Meeting.

STAFF REPORT – ENGINEERING: Stephan Sundet presented the monthly engineering report. The Association's continues to work with RUS regarding Environmental Reports for its 2022-2025 Construction Work Plan. Mr. Sundet updated the Board regarding prospective large power loads. Discussion followed regarding formulation of a transmission rate. Mr. Sundet also updated the Board regarding digestors being installed in the Association service territory.

STAFF REPORT – OPERATIONS: Bobby Brenton presented the monthly operations report to the Board. Association crews continue work on new construction, pole changeouts, and capacitor

and regulator installation. Contractor Altitude is working on pole changeouts, crossarm and insulator installation, and new construction.

STAFF REPORT – MEMBER SERVICES: Rob Baranowski provided the Member Services report. The Association has fifty commissioned solar and one commissioned wind net metered accounts, with nine more applications pending. Questions were asked and answered. Mr. Baranowski reported regarding potential savings to the Association for incentivizing paperless billing and autopay. Mr. Baranowski proposed offering a \$5 incentive for accounts that enroll in the autopay program and a \$5 incentive for accounts that enroll in paperless billing. SmartHub can be used to communicate with “paperless” members. Questions were asked and answered. Mr. Baranowski reported on Beneficial Electrification efforts, including promotion of electric heat pumps, and grant availability for electric school buses. Lastly, Mr. Baranowski updated the Board regarding membership engagement at various upcoming community events including the Northeast Weld County Fair, the Morgan County Fair, and the Fort Morgan Police Department “BBQ with the Blue.” Discussion followed regarding the Association’s sponsorship and presence at the Bobstock music festival.

STAFF REPORT – OFFICE SERVICES: Mr. Shaver presented the monthly Office Services report. Mr. Shaver presented analysis of CFC’s 2021 Key Ratio Trend Analysis Report. The Association is meeting or exceeding its tier targets as defined in the Association’s financial policy. Mr. Shaver presented regarding where the Association fall relative to other cooperatives within the state and nationally in various key ratio categories. 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 Association’s participation in the FERC proceeding on Tri-State’s contract termination payment methodology. Manager Frick presented data showing the Association’s fuel expense by year. Questions were asked and answered.

Manager Frick presented staff’s proposed revisions to Policy 1-2 “General Manager’s Duties and Responsibilities.”

- ◆ **By motion made, seconded, and carried, the Board adopted as presented the proposed revisions to Policy 1-2 “General Manager’s Duties and Responsibilities.”**

Manager Frick presented staff’s proposed revisions to Policy 6-2 “Fraud and Dishonesty.”

- ◆ **By motion made, seconded, and carried, the Board adopted as presented the proposed revisions to Policy 6-2 “Fraud and Dishonesty.”**

Manager Frick reported that staff had reviewed Policy 10-2 “Relocation of Association’s Facilities” and recommended reaffirmation without revision.

- ◆ **By motion made, seconded, and carried, the Board reaffirmed Policy 10-2 “Relocation of Association’s Facilities” without revision.**

Manager Frick updated the Board regarding his participation on Tri-State’s Rate Committee.

PRESIDENT’S REPORT: President Wickstrom appointed Dave Arndt as voting delegate to NRECA Region 7 and Larry D. Hoozee as alternate delegate. President Wickstrom reported that he had received six General Manager evaluations and reminded the Board that the Board will do the General Manager evaluation at its August meeting.

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: Mr. Linker reviewed Western United’s June 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: None.

EMERGENCY BUSINESS: None.

OLD BUSINESS: None.

NEW BUSINESS: None.

There being no further business to consider, the meeting was declared adjourned 1:32 p.m.

Respectfully submitted:

Terry Tormohlen, Secretary