

# MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

## Minutes of Regular Board Meeting

Headquarters Building – Fort Morgan, Colorado

**January 22, 2018:** 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, Larry D. Hoozee, Terry Linker, Brian Pabst, Timothy Peggram, Brian D. Schlagel, and Cary Wickstrom. Absent: Randolph D. Graff.

Also present were David Frick, General Manager and Matthew Richardson, Corporate Attorney, 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 December 18, 2017 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 25039 through 25054 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**CANCELLED MEMBERSHIPS:** The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.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:** None.

**BUILDINGS BY DESIGN:** Mr. Travis Lefever of Buildings by Design presented a proposal for the design and construction of a new warehouse facility to serve the MCREA headquarters, including initial plans and preliminary price estimates. At the conclusion of Building by Design's presentation, Director Arndt moved that the cooperative continue its negotiations with Buildings by Design for the construction of a new warehouse at the MCREA headquarters location.

- ◆ **By motion made, seconded, and carried, the Board directed MCREA staff and Attorney Richardson to continue discussions with Buildings by Design regarding the construction of a new warehouse facility at the MCREA headquarters.**

**SAFETY & HEALTH REPORT:** Manager Frick presented and summarized the monthly Safety and Health Report. MCREA staff continues its review and discussion of the cooperative's Safety Manual and procedures, including review of sections dedicated to Rigging Equipment/Aerial Devices, Vehicle Maintenance, Inspection of Climbing Gear, and a Demonstration of Cooper 4d Controls & HLT. Manager Frick reported on the crew observations and safety meetings conducted thus far in the 2018.

**STAFF REPORT – HUMAN RESOURCES:** Kristie Binder reported on the education and training seminars attended by MCREA staff during the preceding month and advised the Board of upcoming conferences, meetings, and events. Ms. Binder also advised that Board that it must

appoint the members of the Credentials and Election Committee for the director election not later than February 15, 2018 in accordance with MCREA's Bylaws and Election Policy.

**STAFF REPORT – ENGINEERING:** Steve Sundet submitted the monthly engineering report to the Board. Mr. Sundet provided data regarding transformers on the MCREA system that may be in need of upgrade in order to meet heightened demand. Mr. Sundet advised the Board that his department has been working to develop MCREA's next construction workplan and that a draft has been submitted to the RUS for approval. The plan will cover four years and will include new tie line construction, line rebuild, and new transmission line. The engineering department has received many applications for the Operations & Engineering Secretary position and plans to conduct interviews and hire a candidate in February. Lastly, as part of the technology plan initiative, Mr. Sundet reviewed substation data with the Board and demonstrated the cooperative's hotline tagging procedure.

**STAFF REPORT – OPERATIONS:** Bobby Brenton presented the monthly operations report to the Board. MCREA crews focused on retirement of idle lines, general line maintenance, including relocation and replacement of underground line, and buildouts to industrial and residential members during the preceding month. Contractor Altitude continues to focus efforts on line rebuild projects.

**STAFF REPORT – MEMBER SERVICES:** General Manager Frick provided the member services report. Manager Frick advised the Board that nominating petitions for the upcoming Board election are due back no later than January 31, 2018. Manager Frick also announced the recipients of the Youth Tour and Youth Camp scholarships. Manager Frick closed by reporting that five net-metered members received refund checks for producing more electricity that they consumed as part of the cooperative's annual net meter true up procedure.

**STAFF REPORT – OFFICE SERVICES:** None.

**FINANCIAL REPORT:** Mr. Shaver reviewed the details of his customary monthly financial statements and reports. Mr. Shaver reviewed with the Board the 2017 year-end financials and presented analysis of the Rate Class 130 Demand Cap data.

**TREASURER'S REPORT:** Mr. Peggram 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 Graff ordered that the check register be filed.

**MANAGER'S REPORT:** Manager Frick presented his monthly report to the Board. Manager Frick and the Board on the progress of his discussions with Buildings by Design regarding the construction of a new warehouse facility. The Board directed Mr. Shaver to explore available options for financing that construction of a new warehouse facility. Manager Frick also reported that the Town of Wiggins is still pursuing the formations of a municipal electrical distribution facility. Manager Frick reviewed staff recommendations regarding MCREA Policies 1-11 and 5-5, which were up for review.

- ◆ **By motion made, seconded, and carried, the Board reaffirmed Policy 1-11 with adoption of the staff recommendation to strike superfluous language therein.**
- ◆ **By motion made, seconded, and carried, the Board rescinded Policy 5-5.**

**PRESIDENT'S REPORT:** Vice President Wickstrom submitted the monthly President's Report in President Graff's absence. Vice President Wickstrom appointed Timothy Peggram as delegate and Larry Hoozee as the cooperative's alternate to the CFC Annual Meeting. He appointed Brian Pabst as delegate to the Western United Annual Meeting and Timothy will serve as alternate.

**TRI-STATE G&T BOARD REPORT:** Brian Schlagel 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:** Brian Pabst reported that the Western United Board has not met since MCREA's December meeting. Mr. Pabst did, however, review Western United's most recent newsletter with the Board.

**COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT:** Timothy Peggram reported on his attendance at CREA's most recent board meeting as MCREA's delegate director. Mr. Peggram advised the Board of anticipated state legislation which may impact MCREA.

**OTHER MEETING REPORTS:** None.

**EMERGENCY BUSINESS:** None.

**OLD BUSINESS:** None.

**NEW BUSINESS:** The Board discussed a potential new industrial member.

There being no further business to consider, the meeting was declared adjourned at 1:58 p.m.

Respectfully submitted:

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Larry D. Hoozee, Secretary