

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION
Minutes of Regular Board Meeting
Headquarters Building – Fort Morgan, Colorado

March 19, 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, Randolph D. Graff, Larry D. Hoozee, Terry Linker, Brian Pabst, Brian D. Schlagel, Terry Tormohlen, and Cary Wickstrom. Absent: Timothy Peggram.

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 February 19, 2018 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 25804 through 25091 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.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.

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. Manager Frick reported on the crew observations and safety meetings conducted thus far in the 2018. The Joint Safety & Health Committee met on March 16 for training on accident investigation procedures. Manager Frick also reported on a single instance of damage to MCREA property.

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 the Board of the 2018 Election Committee.

STAFF REPORT – ENGINEERING: Steve Sundet submitted the monthly engineering report to the Board. Mr. Sundet informed the Board of progress on the 2018-2021 Construction Work Plan. The Cooperative is in the process of obtaining an environmental report to satisfy RUS requirements. The Cooperative is projected to build approximately 29 new miles of line in connection with the Construction Work Plan. Lastly, Mr. Sundet reviewed with the Board several projected and in development new large loads in the Cooperative's service territory.

STAFF REPORT – OPERATIONS: Mr. Sundet presented the monthly operations report to the Board. MCREA crews built to 22 new residential locations, retired seven locations, and changed out 28 poles during the preceding month. Contractor Altitude continues to focus efforts on line rebuild projects.

STAFF REPORT – MEMBER SERVICES: Dave Henderson provided the Board an initial recap of the Cooperative’s annual membership meeting, held the preceding Saturday. Mr. Henderson also reported that the Cooperative had received two applications for solar net metering during the preceding month.

STAFF REPORT – OFFICE SERVICES: Robb Shaver reviewed line loss statistics with the Board. Line loss has improved in recent years and is now holding steady at around 4%. Based upon the Board’s direction at the previous meeting, Mr. Shaver had solicited a number of financing options for the new warehouse project for the Board’s consideration. After presenting to the board on those options, the Board directed Mr. Shaver to pursue financing through CoBank.

- ◆ **By motion made, seconded and carried, the Board authorized Mr. Shaver to pursue a \$3.5 million 15-year non-patronage loan for financing the warehouse project.**

Lastly, Mr. Shaver requested that the Board adopt the RUS’s online loan application resolution.

- ◆ **By motion made, seconded and carried the following Resolution was adopted:**

SECRETARY'S CERTIFICATE

I, Larry D. Hoozee do hereby certify that: I am the Secretary of Morgan County Rural Electric Association (hereinafter the "Corporation;") that the following are true and correct copies of resolutions duly adopted by the Board of Directors of the Corporation at the regular meeting held March 19th, 2018, and entered in the minute book of the Corporation; that the meeting was duly and regularly called and held in accordance with the bylaws of the Corporation; and that none of the following resolutions has been rescinded or modified:

RESOLUTIONS

1. RESOLVED that David P. Frick, the Manager of the Corporation, be the Certifier on behalf of the Corporation, who shall be responsible for submitting and certifying to the Rural Utilities Service, an agency of the United States Department of Agriculture, any and all data required by RD Apply Intake System;

MANAGER'S REPORT: Manager Frick presented his monthly report to the Board. Manager Frick updated the Board on the progress of his discussions with Buildings by Design regarding the construction of a new warehouse facility. Manager Frick reviewed staff recommendations regarding MCREA Policies 9-7, 9-8, and 10-7, which were up for review.

- ◆ **By motion made, seconded, and carried, the Board amended and affirmed Policy 9-7 with adoption of the staff recommendation to bring the policy up to date and to allow paid time off to be used in 15 minute increments.**
- ◆ **By motion made, seconded, and carried, the Board reaffirmed Policy 9-8.**
- ◆ **By motion made, seconded, and carried, the Board amended and affirmed Policy 10-7 with adoption of the staff recommendation to correct minor grammatical issues.**

PRESIDENT'S REPORT: President Graff submitted his monthly report to the Board. President Graff appointed Brian Schlagel as delegate for the CRC at CFC conference. President Graff will serve as delegate at the Tri-State annual meeting. Lastly, President Graff encouraged other members of the Board to participate in the CARE-ACRE political action committee for distribution cooperatives.

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: The Western United Board had not convened since MCREA's February Board meeting. However, Brian Pabst to review with the Board the Western United update packet.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: President Graff reported on his attendance at CREA's most recent board meeting and the annual meeting held in February.

OTHER MEETING REPORTS: Larry Hoozee and Cary Wickstrom each reported on the NRECA meeting which they had recently attended.

EMERGENCY BUSINESS: None.

OLD BUSINESS: None.

NEW BUSINESS: President Graff advised the Board that officer elections would be conducted at the April meeting.

There being no further business to consider, the meeting was declared adjourned 1:25 p.m.

Respectfully submitted:

Larry D. Hoozee, Secretary