

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

June 25, 2018: The regular monthly meeting of the Board of Directors of Morgan County Rural Electric Association was called to order at 1:00 p.m. on the above date. Directors present were: Dave Arndt, Randolph D. Graff, Larry D. Hoozee, Terry Linker, Brian Pabst, Timothy Peggram, Brian D. Schlagel, Terry Tormohlen, and Cary Wickstrom. Absent: None.

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 May 21, 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 25152 through 25182 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.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 Association's Safety Manual and procedures. Manager Frick reported on the crew observations and safety meetings conducted thus far in 2018 and shared samples of crew observation reports with the Board. The annual fire extinguisher inspection was completed on June 1, 2018. Manager Frick informed the Board that a microburst event had damaged some of the Association's three-phase structures south of Woodrow. Lastly, Manager Frick advised the Board that CREA conducted training on various safety topics and job briefings on June 4 through June 7.

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.

STAFF REPORT – ENGINEERING: Steve Sundet submitted the monthly engineering report to the Board. Mr. Sundet has been working in coordination with HDR Engineering, Inc. regarding the 69kV transmission line project.

Mr. Sundet next reported that the Association had received six bids in response to its request for proposals for the 2018 construction contract, which Mr. Sundet reviewed with the Board.

- ◆ **By motion made, seconded, and carried, the Board approved accepting Altitude Energy, LLC's offer to perform the 2018 Construction Project, as more particularly described in MCREA's request for proposals related to the same.**

As part of the Association's review of its technology plan, Mr. Brenton closed the engineering report with a demonstration on Federated Insurance's S.A.F.E. Job Briefing Application, which the Association has implemented.

STAFF REPORT – OPERATIONS: Bobby Brenton presented the monthly operations report to the Board. MCREA crews built new construction for residential and irrigation services during the preceding month. Mr. Brenton also updated the Board on contractor Altitude's work pursuant to the 2017 Construction Contract.

STAFF REPORT – MEMBER SERVICES: Dave Henderson presented the Member Services Department report to the Board. A new residential 4kW solar net meter has passed inspection and been set. Mr. Henderson reported that MCREA's delegate to the NRECA Youth Tour has been appointed as the Colorado delegate on the Youth Leadership Council. MCREA will sponsor the "Bobstock Music Festival" in Fort Morgan, in conjunction with Tri-State Energy. The Member Services Department is working with Touchstone Energy to implement updates to MCREA's website and is preparing for the Association's employee appreciation picnic and the upcoming Annual MCREA Invitational Golf Tournament, scheduled for August 5th an 6th.

STAFF REPORT – OFFICE SERVICES: Robb Shaver presented the regarding the USDA/FFB AM8 Loan Documents for funding the 2018 Construction Work Plan and requested a motion approving that loan and authorizing the Board President and Association General Manager to execute the loan documents.

- ◆ **By motion made, seconded and carried, the Board approved the USDA/FFB AM8 Loan Documents and authorized President Graff and General Manager Frick to execute the necessary Loan Documents.**

Next Mr. Shaver reported that the Operations Department has requested the purchase of two new one-man bucket trucks, at a purchase price of \$150,000.00 each, and requested Board approval of the same.

- ◆ **By motion made, seconded and carried, the Board approved the purchase of two new one-man bucket trucks, at a purchase price of \$150,000.00 per vehicle.**

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: Timothy 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 reported that MCREA staff has been coordinating with engineering firms and that the final plan drawings are nearing completion. Manager Frick next informed the Board that the Member Services Department is revamping its "Key Accounts" program, in which the Association works with large consumers to determine how the needs of both parties may be better-served.

The Association's prepaid metering program, whereby members will be able to pay for their electricity in advance, is in the testing stages. If testing goes well, that program may roll out as early as fall of 2018.

Attorney Richardson presented to the Board regarding revisions to Policy 6-5 (regarding document retention) and newly proposed Policies 6-7 and 6-8 (regarding protection of member information and data breaches). Richardson requested that the Board approve the proposed amendments to Policy 6-5 and the adoption of Policies 6-7 and 6-8 to comply with new legislative requirements of the State of Colorado.

- ◆ **By motion made, seconded, and carried, the Board amended and affirmed Policy 6-5.**
- ◆ **By motion made, seconded, and carried, the Board adopted Policy 6-7 and Policy 6-8.**

PRESIDENT'S REPORT: President Graff advised the Board that the Association needed to designate an alternate delegate to the CREA Board.

- ◆ **By motion made, seconded and carried, the Board designated President Graff as the alternate delegate to the CREA Board of Directors.**

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 Western United's Board has not met since the MCREA June Board meeting. However, Mr. Pabst did review Western United's May 2018 Sales and Financial Report with the Board.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: Dave Arndt reported on his attendance at CREA's most recent board meeting. The meeting was held in Sterling and Highline Electric's general manager presented to the CREA Board on some of the unique facets of Highline Electric's service territory and operations.

OTHER MEETING REPORTS: Brian Schlagel reported on CFC's Annual Meeting, which he had recently attended.

EMERGENCY BUSINESS: None.

OLD BUSINESS: None.

NEW BUSINESS: None.

There being no further business to consider, the meeting was declared adjourned 5:04 p.m.

Respectfully submitted:

Larry D. Hoozee, Secretary