

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

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

August 27, 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, Timothy Peggram, Brian D. Schlagel, Terry Tormohlen, and Cary Wickstrom. Absent: Brian Pabst.

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.

GENERAL MANAGER REVIEW: The Board conducted General Manager Frick's annual performance review in executive session.

APPROVAL OF MINUTES:

- ◆ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of July 23, 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 25219 through 25250 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.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: Terry Linker and Dave Arndt both reported that members had expressed appreciation for MCREA crews' diligence in restoring power after weather-related outages during the preceding month.

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. MCREA staff are preparing for Federated Insurance's RESAP re-certification review, which is scheduled to be conducted in 2019.

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 advised the Board that the September 24, 2018 Board meeting was likely to cause a conflict for those directors attending the upcoming NRECA Region 7 meeting, scheduled for September 25-27.

- ◆ **By motion made, seconded, and carried, the Board rescheduled the September 24, 2018 Board meeting for September 17, 2018 at 9:00 a.m.**

Ms. Binder reviewed with the Board the 2019 health insurance plan renewal rates.

- ◆ **By motion made, seconded, and carried, the Board approved enrollment in the PPO plan offering with a \$600.00 individual deductible, \$1,800.00 family deductible, a \$100.00 emergency room charge, and a \$25.00 copay.**

STAFF REPORT – ENGINEERING: Steve Sundet presented the monthly engineering report to the Board. Mr. Sundet reported to the Board regarding new feeders to serve new loads out of the Chalk Bluffs Substation. Mr. Sundet next updated the Board on the status of the line extension project to serve the new Kiowa Park development in the Town of Wiggins. Mr. Sundet also reported to the Board on progress with construction of a 69kV transmission line east of New Raymer. The Engineering Department is currently soliciting applications for a Work Order Clerk position; Mr. Sundet reported that he hopes to fill that position by October.

STAFF REPORT – OPERATIONS: Bobby Brenton presented the monthly operations report to the Board. MCREA crews were busy during the preceding months with new construction, retirements, repairs to underground line, and storm repairs. 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. Mr. Henderson reported that the Colorado Rural Electric Association was soliciting donations for its 527 Fund and advised the Board that the Cooperative's 2018 budget included a \$2,500.00 contribution to CREA's 527 Fund. After rigorous discussion of the manner in which CREA has utilized the 527 Fund, Director Arndt moved that the MCREA not make any contribution to that fund this year.

- ◆ **By motion made, seconded, and carried, the Board resolved not to contribute to CREA's 527 Fund for 2018.**

Mr. Henderson showed slides and video from the recently-concluded MCREA Invitational Golf Tournament and report that the event continues to successfully raise money for a lineman scholarship. Mr. Henderson reported that Tri-State G&T had tendered a Renewable Energy Credit payment of \$1,645.00. Lastly, Mr. Henderson informed the Board of upcoming community events at which MCREA will have a presence, including Drover's Restaurant's 50th anniversary celebration and the Pedal the Plains Bicycle Tour.

STAFF REPORT – OFFICE SERVICES: Robb Shaver presented regarding the cooperative's preceding month's financials. Mr. Shaver requested Board approval of a capital expenditure of \$8,550.00 for a VEEAM backup server for offsite backup of the Cooperative's data, as the current system is being sunset by the administrator in 2019.

- ◆ **By motion made, seconded, and carried, the Board approved the purchase of a VEEAM backup server at a price of \$8,850.00.**

Next, Mr. Shaver reviewed with the Board CoBank's recent announcement of a special patronage distribution that will be made to eligible CoBank borrowers in September of 2018. Lastly, Mr. Shaver presented to the Board regarding MCREA's Prepaid Metering Agreement for the new prepaid metering program.

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. He updated the Board on the construction progress for the new warehouse project. He also reported regarding the July 29 storm event, which affected 1,100 MCREA meters and required replacement of 192 poles. In total, it took eight construction crews, including crews from MCREA, YW Electric, Altitude Construction, and the City of Fort Morgan, four days to re-energize all residential members. Manager Frick closed by outlining for the Board the terms of the newly renegotiated collective bargaining agreement with MCREA's union employees.

PRESIDENT'S REPORT: President Graff appointed Larry Hoozee as MCREA's delegate for the upcoming Federated Insurance meeting during the NRECA Region 7 conference. President Graff appointed Timothy Peggram as the Cooperative's delegate for the CFC meeting during NRECA Region 7 and as delegate for the Midwest Annual Meeting. Terry Linker will serve as Timothy Peggram's alternate delegate for Midwest.

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. Brian Schlagel also led the Board's completion of Tri-State G&T's membership survey.

WESTERN UNITED BOARD REPORT: Dave Arndt reported on Western United's most recent board meeting.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: The CREA board had not met since MCREA's delegate last reported.

OTHER MEETING REPORTS: Attorney Richardson reported on his recent attendance at the NRECA Legal Seminar.

EMERGENCY BUSINESS: None.

OLD BUSINESS: None.

NEW BUSINESS: None.

There being no further business to consider, the meeting was declared adjourned 2:43 p.m.

Respectfully submitted:

Larry D. Hoozee, Secretary