

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

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

October 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, Randolph D. Graff, Larry D. Hoozee, Terry Linker, Brian Pabst, Timothy Pegram, 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 September 17, 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 25924 through 25323 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.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. MCREA staff discussed the importance of taking photographs in connection with accident investigations and reviewed the preceding month's near miss report, compiled by Federated Insurance. All MCREA vehicles underwent inspection to ensure OSHA compliance during the preceding month. Manager Frick reported on the crew observations and safety meetings conducted thus far in 2018. Manager Frick advised the Board regarding instances of damage to cooperative property during the preceding month. The Joint Safety & Health Committee met and chose three safety topics to focus educational efforts on during 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 informed the Board that there are likely to be conflicts with the May 2019 and October 2019 regular Board meetings. The matter was tabled with no action taken.

STAFF REPORT – ENGINEERING: Stephen Sundet presented the monthly engineering report to the Board. MCREA continues to work in coordination with Tri-State G&T on the Chalk Bluffs Substation project. Mr. Sundet also reported that his department had hired a new Work Order Clerk who commenced work on October 8, 2018.

STAFF REPORT – OPERATIONS: Bobby Brenton presented the monthly operations report to the Board. MCREA crews built thirty-one new residential locations during the preceding month and have been working primarily in the Hoyt area. Contractor Altitude continued its work on the work plan projects, as well as on line rebuild and under build projects.

STAFF REPORT – MEMBER SERVICES: Dave Henderson presented the monthly Member Services Department report. The Member Services Department is processing a new application for a residential solar net meter. Member Services staff attended a school counselor’s luncheon at the County Steakout in Fort Morgan on October 24 to present on the Youth Camp and Youth Tour programs and scholarships. Mr. Henderson reported that MCREA’s statutorily mandated Colorado Energy Outreach Donation would total \$2,081.00 this year. Those funds are used to assist low income individuals with their electric bills. Mr. Henderson then reviewed with the Board the list of upcoming events, including the November 29 Christmas Parade and the cooperative’s annual Christmas lighting contest in December.

- ◆ **By motion made, seconded, and carried the Board authorized a donation of Thanksgiving turkeys.**
- ◆ **By motion made, seconded, and carried the Board approved a holiday bonus for employees.**

STAFF REPORT – OFFICE SERVICES: Robb Shaver presented the monthly Office Services report. Mr. Shaver reviewed the cooperative’s long-term debt and cash position with the Board. Mr. Shaver next presented the Board with four options for a patronage capital retirement in 2018.

- ◆ **By motion made, seconded, and carried, the Board approved the retirement of \$533,345.21 of Morgan County Rural Electric Association patronage capital which accrued and was allocated in 2003, \$415,371.11 of Morgan County Rural Electric Association patronage capital which accrued and was allocated in 2004, \$142,772.53 of Morgan County Rural Electric Association patronage capital which accrued and was allocated in 2005, \$444,456.34 of Tri-State Generation and Transmission patronage capital which accrued in 1998, and \$414,573.14 of Tri-State Generation and Transmission patronage capital which accrued in 1999, for a total retirement of \$2,500,000.00.**

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 led the Board on a tour of the new warehouse facility, which is still in construction. Attorney Richardson next presented to the Board regarding adoption of a policy governing member complaints.

- ◆ **By motion made, seconded, and carried, the Board adopted proposed Policy 10-12 as it was presented.**

PRESIDENT’S REPORT: President Graff had no report.

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 had not met since MCREA’s previous Board meeting, but he did present the most recent Western United financials to the MCREA Board. Mr. Pabst also reported on the recent resignation of Western United Board President, Ms. Sue McWilliams.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: The Colorado Rural Electric Association Board had not met during the preceding month. However, Mr. Arndt led a review of the various initiatives and referendums on the upcoming Colorado midterm election.

OTHER MEETING REPORTS: Board members that had attended NRECA’s recent regional meeting in Alaska reported on that meeting. Attorney Richardson reported on his attendance at the Fall 2018 CREA attorneys’ meeting.

EMERGENCY BUSINESS: None.

OLD BUSINESS: None.

NEW BUSINESS: None.

There being no further business to consider, the meeting was declared adjourned 1:49p.m.

Respectfully submitted:

Larry D. Hoozee, Secretary