

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

Minutes of Regular Board Meeting

Headquarters Building – Fort Morgan, Colorado

December 17, 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 November 26, 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 25344 through 25375 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.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: Mr. Pegram reported that members had expressed thanks for the recent capital credit retirement and Mr. Hoozee reported that he had received positive comments regarding MCREA crews and the recent capital credit retirement.

SAFETY & HEALTH REPORT: Manager Frick presented and summarized the monthly Safety and Health Report. Manager Frick reported on the crew observations and safety meetings conducted thus far in 2018. During the preceding month, MCREA staff underwent safety training and education on switching procedures and Federated Insurance's November 2018 Litigation & Near Miss Report. Additionally, all automated external defibrillators on MCREA vehicles were tested.

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 scheduling conflicts with the May 2019 and October 2019 Board meetings.

- ◆ **By motion made, seconded, and carried, the May 2019 regular Board meeting was rescheduled from May 27 to 9:00 a.m. on May 28 and the October 2019 regular Board meeting was rescheduled from October 28 to 9:00 a.m. on October 21.**

Ms. Binder next presented a proposed engagement agreement to retain Jackson Thornton to conduct an NRECA-mandated audit of various employee payroll programs at a cost of \$2,900.00.

- ◆ **By motion made, seconded, and carried, the Board approved engaging Jackson Thornton to perform NRECA's required audit of MCREA's 401k, payroll, and other employee programs at a cost of \$2,900.00.**

STAFF REPORT – ENGINEERING: Stephan Sundet presented the monthly engineering report to the Board. Mr. Shaver presented a demonstration on the Smart Hub system as part of the technology plan review. After Mr. Shaver's presentation, Mr. Sundet presented to the Board regarding remaining items on the 2018 Construction Work Plan, as well as upcoming new projects.

STAFF REPORT – OPERATIONS: Bobby Brenton presented the monthly operations report to the Board. Mr. Brenton reported that MCREA crews were focused on new residential construction, projects at the Fort Morgan airport, and retirements during the preceding month. Mr. Brenton also updated the Board on contractor Altitude's Construction Work Plan progress.

STAFF REPORT – MEMBER SERVICES: Dave Henderson presented the monthly Member Services Department report. The Member Services Department successfully conducted an emergency tabletop exercise on an active shooter scenario in December. MCREA's annual membership meeting will take place on March 16, 2019 at the Fort Morgan High School and preparations are underway. The Member Services Department will interview Youth Camp and Youth Tour candidates in January.

STAFF REPORT – OFFICE SERVICES: Robb Shaver presented the monthly Office Services report. Mr. Shaver presented statistical analysis of MCREA's 2018 capital credit retirement.

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 Pegram 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, including an update on construction progress with the new warehouse. Manager Frick reported that the new warehouse should be move-in ready in February. Manager Frick next updated the Board on MCREA staff's strategic planning efforts, including initiatives on financial planning, safety culture, technology, and membership communication. Manager Frick also reported his intention to present a proposed disciplinary policy for safety violations to the Board in 2019. Lastly, the Board discussed revising Policy 9-7 to take away the "floating" holiday and make December 24 a MCREA holiday, with no formal action being taken.

PRESIDENT'S REPORT: President Graff appointed Brian Schlagel as MCREA's delegate to the NRTC annual meeting and appointed Timothy Pegram as his 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 Western United had not met since the previous MCREA Board meeting and presented Western United's most recent financial statements.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: Dave Arndt reported on the Colorado Rural Electric Association Board's most recent meeting, including review of the 2018 midterm state and federal election results and recapping the strategic planning and governing course at the CREA annual meeting.

OTHER MEETING REPORTS: Terry Linker reported on his attendance at Midwest's annual meeting.

EMERGENCY BUSINESS: None.

OLD BUSINESS: None.

NEW BUSINESS: None.

There being no further business to consider, the meeting was declared adjourned 2:35 p.m.

Respectfully submitted:

Larry D. Hoozee, Secretary