

## **MORGAN COUNTY RURAL ELECTRIC ASSOCIATION**

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

**August 26, 2019:** 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 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.

**EXECUTIVE SESSION:** The Board convened an executive session for the purpose of conducting the annual general manager performance review.

### **APPROVAL OF MINUTES:**

- ◆ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of July 22, 2019 were approved as amended.**

**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 25585 through 25692 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**CANCELLED MEMBERSHIPS:** The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.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:** Director Pabst reported on feedback he had received regarding solar net meter application fees and Director Hoozee reported regarding a member experiencing issues with low voltage.

**SAFETY & HEALTH REPORT:** Manager Frick presented and summarized the monthly Safety and Health Report. MCREA staff reviewed and discussed the Federated and CREA monthly "near miss" reports. Additionally, MCREA's bucket and digger trigger trucks underwent OSHA-mandated dielectric testing. A Joint Health and Safety Committee meeting was held on August 13, covering "Commitment to Safety" and "Injuries, Near Misses, and Damages." Lastly, Manager Frick reported that MCREA has adopted new procedures for testing rubber safety gloves.

**STAFF REPORT – HUMAN RESOURCES:** Kristie Binder advised the Board regarding the education and training seminars attended by MCREA staff during the preceding month, as well as on upcoming conferences, meetings, and events. She notified the Board that it must select voting delegates for the upcoming CFC meeting. Ms. Binder reported to the Board regarding her recent attendance at the "Interact Conference" on behalf of MCREA. She informed the Board that MCREA's health insurance will only see a minimal increase this year.

**STAFF REPORT – ENGINEERING:** Stephan Sundet presented the monthly engineering report to the Board. MCREA has recently acquired two easements necessary for a new line construction

project. Mr. Sundet updated the Board regarding the status of potential new large power loads. Mr. Sundet sent bid solicitation packets out for a two-year construction contract and will open sealed bids on September 16.

**STAFF REPORT – OPERATIONS:** Bobby Brenton presented the monthly operations report to the Board. MCREA crews continue to work on construction at new service locations, primarily residential and irrigation. In total, MCREA crews performed work at forty different locations during the preceding month, with twenty-two additional new residential locations expected to be energized soon. The Operations Department is conducting initial testing on RF capacitors for the SCADA system with positive early results. Lastly, Mr. Brenton updated the Board regarding Altitude’s work pursuant to the construction work plan contract.

**STAFF REPORT – MEMBER SERVICES:** Dave Henderson presented the monthly Member Services Department report. A new net meter application has been received and the location is pending inspection. The Member Services Department conducted a demonstration for Wiggins Electric, hosted the Annual MCREA Invitational Golf Tournament, and hosted a booth at the Morgan County Fair steak fry during the preceding month. MCREA is organizing an upcoming local school counselors’ luncheon and informational session on the cooperative’s lineman scholarship.

**STAFF REPORT – OFFICE SERVICES:** Robb Shaver presented the monthly Office Services report. Mr. Shaver reported that some members had requested that capital credit retirements be applied directly to their monthly bill in lieu of receiving a check and the Board approved that practice for members that request it.

**FINANCIAL REPORT:** Mr. Shaver reviewed the details of his customary monthly financial statements and reports. Mr. Shaver presented MCREA’s 2018 financial audit, conducted by Jackson Thornton, who issued an unqualified opinion.

◆ **By motion made, seconded, and carried, the Board accepted Jackson Thornton’s 2018 audit.**

Mr. Shaver also presented analysis of CFC’s annual “Key Ratio Trend Analysis,” which examines distribution cooperatives’ relative state and national standing. MCREA ranked very highly in many categories, including first in Colorado in terms of capital credit retirements in relation to total cooperative equity.

Lastly, Mr. Shaver presented analysis of MCREA’s cash position as of July 31, 2019. After questions, answers, and discussion, the President directed that the monthly Financial Reports be filed.

**TREASURER’S REPORT:** Brian Pabst 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. Attorney Richardson reported that the new survey in connection with the sale of MCREA’s Highway 34 headquarters facility should be completed soon. Manager Frick presented to the Board regarding Building By Design’s proposal for the construction of a new mechanic’s facility addition.

**PRESIDENT'S REPORT:** President Graff appointed Brian Schlager as voting delegate and Dave Arndt as alternate for the CFC Region 7 meeting. President Graff will serve as voting delegate for the Midwest Annual meeting with Terry Tormohlen as alternate. Lastly, President Graff appointed Larry Hoozee as voting delegate for the CoBank midwest plains region director election.

**TRI-STATE G&T BOARD REPORT:** Brian Schlager 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:** Timothy Peggram reported that the Western United Board annual fish fry is scheduled for August 29, 2019.

**COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT:** Dave Arndt reported that Colorado Rural Electric Association Board's annual joint meeting with the state's cooperative general managers is upcoming.

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

**EMERGENCY BUSINESS:** None.

**OLD BUSINESS:** None.

**NEW BUSINESS:** None.

There being no further business to consider, the meeting was declared adjourned 1:54 p.m.

Respectfully submitted:

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Larry D. Hoozee, Secretary