

MORGAN COUNTY RURAL ELECTRIC ASSOCIATION

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

March 25, 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.

BOARD REORGANIZATION: By nomination and balloting in accordance with Section 2 of Article VI of the cooperative's bylaws, the Board elected the following officers:

President: Randolph D. Graff
Vice President: Cary Wickstrom
Secretary: Larry D. Hoozee
Treasurer: Brian Pabst

The Board elected Brian Schlagel to serve as its delegate to the Tri-State Generation and Transmission board, Dave Arndt to serve as its delegate to the CREA board, and Timothy Peggram to serve as its delegate to the Western United board.

APPROVAL OF MINUTES:

- ◆ **By motion made, seconded, and carried, the minutes of the regular meeting of the Board of Directors of February 25, 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 25445 through 25464 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CANCELLED MEMBERSHIPS: The Directors reviewed the monthly list of members who have withdrawn from the cooperative since the last meeting of the Board.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: Brian Pabst reported that he had received positive member feedback regarding MCREA's response after outages caused by a recent storm and Randolph D. Graff reported that he had received positive comments regarding the cooperatives annual meeting of the membership.

SAFETY & HEALTH REPORT: Manager Frick presented and summarized the monthly Safety and Health Report. MCREA staff received training on Federated Insurance Company's "Near Miss" policy. Staff also received training on various other safety topics, including risks associated with hydrogen sulfide exposure. Manager Frick also reported on crew observations and inspections conducted during the preceding month. Lastly, Manager Frick reported that MCREA had been in

coordination with Curt Graham from CREA regarding plans for painting storage and parking indicator lines in the new warehouse building.

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 reviewed with various NRECA board member certification requirements.

STAFF REPORT – ENGINEERING: Stephan Sundet presented the monthly engineering report to the Board. Mr. Sundet updated the Board on an upcoming 69 kV transmission line project. The cooperative is in the process of obtaining easements and permits necessary for that project. Mr. Sundet also reported on several potential new large power loads in MCREA's service territory.

STAFF REPORT – OPERATIONS: Bobby Brenton presented the monthly operations report to the Board. MCREA crews were busy with new construction and repair work after a recent snowstorm. Mr. Brenton reported that no MCREA staff suffered any injuries during that work, despite the dangerous weather conditions. Mr. Brenton also updated the Board on contractor Altitude's progress on several new service installations.

STAFF REPORT – MEMBER SERVICES: Dave Henderson presented the monthly Member Services Department report. The FFA served 371 meals during the annual meeting and 208 registered members attended. Mr. Henderson reported that MCREA would host an upcoming meeting of the Colorado Rural Electric Member Services group on April 3-4, with 35-40 members of that group expected to be in attendance. The cooperative had received two new applications for net metered solar facilities during the preceding month.

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. The cooperative recently finalized its refinancing of RUS-FFB debt and will save close to \$250,000.00 through that refinance. Lastly, Mr. Shaver presented data regarding MCREA's rates and how they compare relative to other Colorado member-owned cooperatives, as well as municipal utilities.

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: 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, including an update on move-in progress at the new warehouse.

Manager Frick presented MCREA's staff's proposed revisions to Policy 1-1 "Board of Director-General Manager Relationship."

- ◆ **By motion made, seconded, and carried, the Board amended and affirmed Policy 1-1 with adoption of the staff recommendations.**

Manager Frick presented and the Board reviewed Policy 5-1 “Environmental Considerations” and Policy 9-1 “Employees – Wages and Salary Administration.”

- ◆ **By motion made, seconded, and carried, the Board affirmed Policy 5-1 and Policy 9-1 as presented.**

Lastly, Manager Frick presented a new proposed policy, 5-3 entitled “Bloodborne Pathogen Exposure Plan.”

- ◆ **By motion made, seconded, and carried, the Board adopted new Policy 5-3 establishing the cooperative’s bloodborne pathogen exposure plan.**

CR ENERGY CONCEPTS, LLC PRESENTATION: Joe Yavorski of CR Energy Concepts, LLC presented to the Board regarding a proposed new pyrolysis facility in Fort Morgan.

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: Timothy Peggram reported that Western United had not met since the MCREA Board’s previous meeting but presented Western United’s most recent financials.

COLORADO RURAL ELECTRIC ASSOCIATION BOARD REPORT: Dave Arndt reported on the Colorado Rural Electric Association Board’s February meeting.

OTHER MEETING REPORTS: Brian Schlagel and Timothy Peggram reported on their attendance at the NRECA annual business meeting.

CALENDAR OF EVENTS: President Graff advised the Board of various upcoming meetings of interest.

EMERGENCY BUSINESS: None.

OLD BUSINESS: None.

NEW BUSINESS: None.

There being no further business to consider, the meeting was declared adjourned 3:23 p.m.

Respectfully submitted:

Larry D. Hoozee, Secretary