

HIGHLINE ELECTRIC ASSOCIATION  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
January 16, 2020

A regular meeting of the Board of Directors of Highline Electric Association was held at the office of the Association in Holyoke, Colorado at 9:00 A.M. on January 16, 2020.

ROLL CALL

President Mike Bennett presided at the meeting. Directors present were:

Mike Bennett	Leo Brekel
Aaron Sprague	David Kinnison
Jim Lueck	Merl Miller
Pam Stieb	Merlin Prior
Brad Stromberger	Ted Carter
Steve Oestman	

Manager Dennis Herman and Attorney Levi Williamson were also present. Attorney Williamson recorded the minutes of the meeting. Director Leo Brekel entered the meeting at 9:15 a.m. during the General Manager's report.

AGENDA APPROVED

The Agenda approved as presented.

MINUTES APPROVED

The minutes of the December 19, 2019 meeting were approved as presented.

MANAGER'S REPORT

Manager Herman presented graphs of cumulative kWh purchased and kWh sold through December 2019. Herman also presented graphs of operating revenue, expenses, operating margins, and cash & investments through December.

Herman reviewed the deferred revenue plan. He recommends reducing the amount of deferred revenue to be recognized in 2019. Changing the plan will require RUS approval. Staff will hold Lamplighter meetings throughout the service territory. The strategic planning meeting will be held in Holyoke February 25 and 26. Herman reported that Omimex would like to sell electricity to Highline. Colorado House Bill 20-1025 would limit the industrial sales tax exemption to metered sales for the exempt purpose. This could result in farms that are currently tax exempt being reclassified as taxable.

Julesburg is considering building a new school building. The current building is within Julesburg's town limit and served by Julesburg's town utility. One of the two sites under consideration is partially outside Julesburg, in Highline's service territory. Herman will work with Julesburg if they decide to annex the property and serve the new building.

The Board will conduct a performance review of Herman in December 2020.

Herman presented and reviewed the Ormat summary for December. Highline recognized savings of \$9,406.50 in December and \$61,634.52 Y-T-D.

#### OPERATIONS AND SAFETY REPORT

Rance Ferguson presented the Operations Report. He provided an update on the December 27 storm. Ferguson reported on the results of pole testing and equipment testing. Ferguson reported on the activities of the Holyoke, Sterling, and Ovid crews.

Ferguson presented the Safety Report. There were no lost-time accidents. Ferguson presented the outage report.

#### MEMBER SERVICES REPORT

Tad Huser presented the Member Services Report. He reported on new services and energy efficiency rebates. He reported on the status of the 2020 youth tour and camp and Revolving Loan Fund Activity.

#### ENGINEERING REPORT

Alex Astley presented the Engineering Report. He reported on various engineering projects. He reported on IT activities, including capital budget projects. Astley also reported on the status of implementation of the AMI system.

#### CORPORATE SERVICES REPORT

Jim Jackson presented the Corporate Services Report. Highline can no longer utilize the cushion of credit. Highline had \$275,000 in CFC investments as of 12/31/19. HEA paid \$2,032.66 in fees on \$156,912.30 worth of credit card payments in December. Jackson projects HEA will maintain a 50% equity position with the change to the deferred revenue plan as recommended by Herman. Jackson presented the Form 7, check register, and cash flow statement.

It was properly moved, seconded and carried to acknowledge the employees working 2019 with zero lost-time accidents.

#### CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Policy 1-1 Establishment of a Policy Manual
- b. Policy 1-1a Establishment of a Mission and Beliefs Statement
- c. Safety Committee Report
- d. New Members and Membership Refunds
- e. Subordination Agreements or Release of Liens
- f. Estate Capital Credit Refunds

The items on the Consent Agenda were approved by unanimous consent.

#### RIVERVIEW SOLAR PROJECT UPDATE

Manager Herman reviewed the Riverview Solar Project compared to budget. The project finished approximately \$100,000 under budget.

2020 Rate Approval

Manager Herman discussed the previously approved rate increase. The rate increases necessary to achieve the goal of increasing revenue by approximately 1% is approximately 1.2%. Herman presented two revised rate tariffs, Single Phase Irrigation and the Air Force rates. It was properly moved, seconded, and carried to approve the rate tariffs as presented.

VEHICLE BIDS

Rance Ferguson presented the bids to replace two vehicles. It was properly moved, seconded, and carried, to accept the Ford bid from ETI for both units.

OVID OFFICE

Manager Herman provided an update on the status of the Ovid office remodel. He presented two bids.

It was properly moved, seconded and carried to accept Buettenback Construction's option 2 bid and to budget a 10% contingency.

TRI-STATE

Director Brekel presented the Tri-State meeting report and reported on his attendance at the regular meeting of the Tri-State Board of Directors. He presented the consolidated operating budget variance for November 2019. Tri-State will close Escalante power plant by the end of 2020 and Tri-State's portion of Craig by 2030. Brekel reviewed key parts of Tri-State's Responsible Energy Plan.

President Bennett recessed the meeting at 12:00 noon and reconvened at 12:50 p.m.

Brekel continued his report. Tri-State will make 300MWs of its load available for partial requirements contracts. This is approximately 10% of Tri-State's peak load. Brekel reported on his attendance at the Tri-State contract committee meeting. The Committee hired a consultant to help determine the "make whole" payment for full or partial buyouts.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings. Ted Carter will be Highline's delegate to the CREA Annual Meeting and Pam Stieb will be Highline's delegate to the Western United Annual Meeting.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 1:21 p.m.

*Merlin R. Priest*

SECRETARY

*W. S.*

PRESIDENT

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