

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
December 17, 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 December 17, 2020.

ROLL CALL

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

Steve Oestman	Merlin Prior
Mike Bennett	Pam Stieb
Ted Carter	Aaron Sprague
Brad Stromberger	

Directors present via videoconference were:

Jim Lueck	Leo Brekel
David Kinnison	Merl Miller

Manager Dennis Herman was present in person and Attorney Bryson Fredregill was present via videoconference. Staff members Alex Astley, Tadius Huser, Jim Jackson, and Rance Ferguson were also present via videoconference and presented reports in person. Attorney Fredregill recorded the minutes of the meeting.

AGENDA APPROVED

The Agenda was approved as presented.

MINUTES APPROVED

The minutes of the November 19, 2020 meeting were presented and revised. The minutes were approved as revised.

Leo Brekel entered the meeting.

MANAGER'S REPORT

Manager Herman presented the December Manager's report. He presented graphs of kWh Purchased, kWh Sold, Expenses, Operating Margins, and Cash & Investments through November 2020. Herman discussed the variances from budget.

Herman presented and reviewed the Ormat summary for November. Highline recognized a net benefit of \$50,161.18 Y-T-D. Aaron Sprague provided an update on matters concerning the Republican River Water Conservation District.

Herman led a discussion on how COVID-19 may affect the 2021 annual meeting. He is considering conducting the 2021 director elections in March without an in-person meeting and having an in-person meeting of the members later in the year.

Herman updated the board on matters involving Tri-State before the PUC and FERC. United and La Plata have filed for Rehearing, Reargument, or Reconsideration at the Colorado PUC. The FERC Contract Termination Payment docket is moving through settlement proceedings. Herman is currently evaluating PVREA's CTP proposal.

Herman updated the board on the effects of COVID-19 on HEA personnel. Herman updated the board on a failing server scheduled

for replacement in 2021. The cost of replacement will be \$13,000.00 more than the budgeted amount of \$12,000.00 because of the expense associated with software licensing. It was properly moved, seconded, and carried to increase the budget \$13,000.00 for server replacement and associated software licensing.

Leo Brekel exited the meeting.

Herman reported that West Plains Engineering is requesting a change order of \$9,500.00 to the previously approved contract for the Interstate Substation. The increase is due to Highline's decision, in the interest of safety, to use a contractor for construction instead of its own crews. It was properly moved, seconded, and carried to authorize the change order in the amount of \$9,500.00

Herman reported on efforts to resolve telephone system issues. PCTelcom has not been able to make the system work on an IP basis. It will remain analog until they are able to resolve the issue.

Herman reported on his plan to offer bonuses of \$200.00 and \$75.00 to full-time and part-time employees, respectively. The board consented to Herman's plan. Herman also reported on the proposed retiree Health Reimbursement Account funded with unused PTO and/or CAT time. He presented the proposal to the employees, and the majority rejected it.

Herman presented a proposal to donate the trenching for a memorial to the deceased daughter of a member. The board consented. Herman also presented a donation request from the Rocky Mountain Electric Metering Association to help cover its budget deficit due to COVID-19. Highline frequently utilizes the services of the RMEMA. It was properly moved, seconded, and carried to donate \$1,000.00 to the Rocky Mountain Electric Metering Association.

Herman reported he is considering changing the deposit requirements for risk accounts. Herman is considering not requiring a deposit for risk accounts if the member associated with the account signs up for ACH. After discussing various qualifying criteria, the board consented to Herman's proposal.

OPERATIONS REPORT

Rance Ferguson presented the December Operations Report. He reported on Altitude Energy's progress replacing switches, postponement of the Wauneta Substations project, and line crew activities.

Ferguson presented the Safety Committee Report and reported on safety training. There were no accidents. Ferguson presented the outage report.

MEMBER SERVICES REPORT

Tadius Huser presented the December Member Services Report. He reported on rebates, new services, member solar projects, the EV Charging Station progress, and Revolving Loan Fund loans.

ENGINEERING REPORT

Alex Astley presented the December Engineering Report. He updated the board on system maintenance, deployment of multifactor authentication security, deployment of Highline's AMI system, staking, and installation of communications links on new

reclosers. Astley reported on the progress with the Atkins, Platte Valley and West Plains Towers. He also updated the board on the bidding process for the Interstate Substation Upgrades.

CORPORATE SERVICES REPORT

Jim Jackson presented the December Corporate Services Report. Highline had \$6,091,262.95 in CFC Commercial Paper and Select Note Investments as of November 30, 2020. Highline has a deferred revenue balance of \$706,072.34 as of November 30, 2020. Highline paid \$2,133.12 in fees on \$152,867.68 worth of credit card payments in November. Jackson presented the Form 7, cash flow, and check register.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. HEA Policy Review
 - Policy 1-18: Code of Ethics and Conflict of Interest
 - Policy 2-2: Employee Benefits, revised
 - Policy 2-4 Wage and Salary Administration, revised
- b. Safety Committee Report
- c. New Members and Membership Refunds
- d. Subordination Agreements or Release of Liens
- e. Estate Capital Credit Refunds

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

NOVEMBER BOARD ACTION RATIFICATION

Herman presented the following list of formal board actions taken and informal board directions given at the November 19, 2020 Regular Meeting of the Highline Electric Association Board of Directors for ratification:

1. The November 19, 2020 Agenda was revised with the removal of Policy "3-6: Use of Community Room" from the Consent Agenda and approved as revised.
2. The October 15, 2020 minutes were revised and approved as revised.
3. The board directed Herman to proceed with the plan to allow for extended leave due to COVID-19 beyond the maximum time currently allowed for said leave, provided that fifty percent of the extended leave time is offset against the employee's paid time off.
4. It was properly moved, seconded, and carried to spend \$300.00 to purchase a table with PC Telcom, CHS, and the Holyoke Credit Union for the Melissa Memorial Foundation Fundraiser.
5. The Consent Agenda containing the following items was revised with the removal of a single estate capital credit refund and approved by unanimous consent as revised:
 - a. Policy 3-5: Procedures for Oversized Loads, no revisions
 - b. Policy 3-7: Scholarships, revised
 - c. Safety Committee Report
 - d. New Members and Membership Refunds
 - e. Subordination Agreements or Release of Liens
 - f. Estate Capital Credit Refunds

6. It was properly moved, seconded, and carried to ratify the action taken at the October meeting to authorize Employers Council to perform a pay equity audit.
7. The board directed that the Highline manager evaluation form be utilized with the performance rating scale modified to a range from 1 to 5.
8. It was properly moved, seconded, and carried to approve revised Policy 2-2 as presented.
9. It was properly moved, seconded, and carried to donate \$500.00 to the CREA Wildfire Relief fund.
10. It was properly moved, seconded, and carried to donate \$100.00 to the NRECA "Empowering Small Businesses to Strengthen Communities" fund.
11. It was properly moved, seconded, and carried to award the contract to rebuild distribution line and replace switches a five switching stations to Altitude Energy with the low bid of \$1,314,341.16.
12. It was properly moved, seconded, and carried to approve a 3% employee wage increase with the addition of Christmas Eve as a paid holiday and the removal of paid holiday leave for the employees' respective county fairs.
13. It was properly moved, seconded, and carried to approve the 2021 budget as presented.
14. Director Ted Carter was appointed Highline's delegate to the Midwest Electric Consumers annual meeting and Mike Bennett was appointed the alternate.

It was properly moved, seconded, and carried to ratify the foregoing list of actions and directions.

POLICY 3-6: Use of the Community Room

Herman presented revised Policy 3-6. It was properly moved, seconded, and carried to approve Policy 3-6 as presented.

TRI-STATE POLICY 119

Herman updated the board on land acquisition negotiations for a Tri-State Policy 119 project.

TRI-STATE BENEFICIAL ELECTRIFICATION & ENERGY EFFICIENCY PROGRAM DISCUSSION

Tadius Huser presented changes to Tri-State's 2021 Beneficial Electrification and Energy Efficiency Program. Tri-State is expanding their motor rebate of \$8/HP to include any commercial/industrial motor up to 1500 horsepower. Staff recommends Highline contribute a \$2/HP match for all premium efficiency motors up to 1500 horsepower. It was properly moved, seconded, and carried to approve a Highline match of \$2/HP for all

new premium efficiency motors up to 500 horsepower, effective January 1, 2021.

EV CHARGING RATE APPROVAL

It was properly moved, seconded, and carried to go into executive session for confidential discussion regarding a proposed EV Charging Rate, with the following in attendance: All Directors and staff present at the meeting, Manager Herman, and Attorney Fredregill. It was properly moved, seconded, and carried to come out of executive session.

Merl Miller exited the meeting.

President Bennett recessed the meeting at 12:05 p.m. and reconvened at 1:02 p.m.

Leo Brekel entered the meeting.

It was properly moved, seconded, and carried to approve a charging rate for the Highline EV Charging Station of \$0.08/kWh.

GENERAL MANAGER EVALUTAIION DISCUSSION

Herman presented the updated General Manager Evaluation Form and a summary of accomplishments. The board discussed the timeline of performance and pay evaluation. It was properly moved, seconded, and carried to go into executive session for confidential discussion regarding personnel matters, with the following in attendance: All Directors present at the meeting, Manager Herman, and Attorney Fredregill. It was properly moved, seconded, and carried to come out of executive session. Staff entered the meeting.

TRI-STATE

Leo Brekel reported on his attendance at the Tri-State Member Meeting held December 8, 2020. He reported that the proposed Bylaw amendments were revised and passed with the requirement that a member receive at least 65% of its capacity from Tri-State as a condition of being granted a seat on the Tri-State Board of Directors.

Leo Brekel also reported on his attendance at the Regular Meeting of the Tri-State Board of Directors. In October Tri-State had 1320 employees, down from 1500. Tri-State will soon decide on whether to enter an energy imbalance market. Tri-State will retire approximately \$30 million in capital credits on a "first in, first out" basis. Craig #3 will close by the end of 2029.

CREA

Jim Lueck reported on his attendance at the regular meeting of the CREA Board of Directors. He discussed anticipated legislation in the following areas: beneficial electrification and wildfire management.

WESTERN UNITED

There was no regular meeting of the Western United Electric Board of Directors. Sales were up in November.

NREA

Merlin Prior and Dennis Herman reported on their remote attendance at the NREA Annual Meeting. NREA is investing in modernizing its phone system and IT. Prior discussed member assessments and the new manager. He reported that the meetings resulted in no changes to the directors or officers. He also reported a significant increase in the NREA legal budget.

MID-WEST ELECTRIC CONSUMERS ANNUAL MEETING ANNUAL MEETING

Jim Lueck reported on his attendance at the Mid-West Electric Consumers Annual Meeting. Lueck was re-elected to the board of directors.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

PUBLIC COMMENT

There was no Public Comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 2:11 p.m.



SECRETARY



PRESIDENT