

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
November 21, 2019

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 November 21, 2019.

ROLL CALL

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

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

Manager Dennis Herman and Attorney Levi Williamson were also present. Attorney Williamson recorded the minutes of the meeting.

AGENDA APPROVED

The Agenda was approved as presented.

MINUTES APPROVED

The minutes of the October 17, 2019 meeting were presented and approved as presented.

MANAGER'S REPORT

Manager Herman presented graphs of kWh Purchased, kWh Sold, Expenses, Operating Margins, and Cash & Investments through October 2019. Herman reported on his conversation with David Churchwell at KC Electric regarding the Master Irrigator Class in Wray. Churchwell asked if Highline would be interested in a \$1,000.00 sponsorship. It was properly moved, seconded and carried to authorize a \$1,000.00 sponsorship of an energy audit for a participant in the Master Irrigator class.

Herman reported on the status of the Ovid office remodel. Herman reported that Tri-State CEO Duane Highley will attend a Highline board meeting. Highline purchased a portion of the "Holyoke Coops" table at the Melissa Memorial Hospital Foundation fundraiser. Herman reported on his discussions with the Colorado Broadband Office regarding the ReConnect Loan and Grant Program.

Herman presented and reviewed the Ormat summary for October. Highline recognized savings of \$50,541.79 Y-T-D.

OPERATIONS REPORT

Rance Ferguson presented the November Operations Report. He reported on substation testing, truck inspections, the Federated Insurance inspection, and line crew projects.

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 November Member Services Report. He reported on new services, rebates, 2020 load control, Revolving Loan Fund loans, and the Riverview Solar ribbon cutting.

ENGINEERING REPORT

Alex Astley presented the November Engineering Report. He reported on personnel matters, the status of the Riverview solar project, the transmission rebuild at the West Plains substation, IT matters, the status of the AMI installation, and the status of the heavy haul truck for the mobile substation.

CORPORATE SERVICES REPORT

Jim Jackson presented the November Corporate Services Report. The Cushion of Credit balance was \$69,055.14 as of 10/31/19. HEA had \$1.933M in CFC investments as of October 31, 2019. HEA paid \$1,854.36 in fees on \$154,473.02 worth of credit card payments in October. Jackson asked if the board would like to give employees bonuses of \$200.00 to full-time employees and \$75.00 to part-time employees.

It was properly moved, seconded and carried to authorize bonuses of \$200.00 to full-time employees and \$75.00 to part-time employees, net after taxes.

Jackson presented the Form 7, cash flow, and check register.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Policy 3-4
- b. Policy 7-1, revised
- 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.

POLICY 4-3

Dennis Herman presented revised Policy 4-3. It was properly moved, seconded and carried to approve Policy 4-3 as presented.

RIVERVIEW SOLAR UPDATE

Manager Herman reported on the status of the Riverview Solar Project, including financing and construction. The construction is complete, and it is generating power.

RULES & REGULATIONS REGARDING AGGREGATING SERVICES

Herman presented revised Rules & Regulations, which allow single-phase farmsteads to aggregate residences under one meter. It was properly moved, seconded and carried to approve revised Rules & Regulations as presented.

POLICY 2-2

Dennis Herman presented revised Policy 2-2. It was properly moved, seconded and carried to approve Policy 2-2 as presented.

POLICY 2-13

Dennis Herman presented revised Policy 2-13. It was properly moved, seconded and carried to approve Policy 2-13 as presented.

BYLAW AMENDMENT

Manager Herman presented the proposed amendment to Article II, Section 5 of Highline's Bylaws that was published as presented at the August 22, 2019 meeting of the Board of Directors. It was properly moved, seconded and carried to approve the amendment as published.

CAPITAL CREDIT RETIREMENT

Jim Jackson presented three options for a general retirement of capital credits. Jackson and Herman recommend the third option. It was properly moved, seconded and carried to approve a general retirement of capital credits to members consistent with the third option.

POLICY 1-14 AND BASIN MEMBER INVESTMENT PROGRAM

General Manager Herman recommends investing Highline investment funds in the Basin Member Investment Program. The investment is not FDIC insured. It was the consensus of the Board that Highline should invest in the program.

Herman presented revised Policy 1-14. It was properly moved, seconded and carried to approve Policy 1-14 as presented.

2020 BUDGET

General Manager Herman presented the proposed 2020 budget, with a 1% overall rate increase.

President Bennett recessed the meeting at 11:45 a.m. for lunch and reconvened the meeting at 12:58 p.m.

EXECUTIVE SESSION

It was properly moved, seconded and carried to go into executive session for confidential discussion regarding wages and the 2020 budget, with the following in attendance: All directors present at the meeting, Manager Herman, and Attorney Williamson. It was properly moved, seconded and carried to exit executive session.

It was properly moved, seconded and carried to approve the 2020 budget as presented with a 1% rate increase and a 3% employee wage increase.

TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Brekel reported on Basin Electric's FERC filings. Credit agencies have downgraded Tri-State's rating due to member disputes. Brekel presented graphs of Tri-State coal plant utilization and renewable generation.

Brekel reported on his attendance at the Tri-State contract committee meeting.

CREA

Director Lueck reported on his attendance at the regular meeting of the CREA Board of Directors. Highline will receive a 7% increase to its CREA dues. Lueck reported on legislation that CREA will propose in 2020.

WESTERN UNITED

Ted Carter reported that there was no meeting of the Western United Electric Board of Directors.

NREA

Merlin Prior reported that there was no meeting of the NREA Board of Directors.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings. Director Ted Carter will be Highline's delegate to the Midwest Electric Consumers annual meeting and Pam Stieb will be the alternate.

PUBLIC COMMENT

There was no Public Comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 3:10 p.m.



SECRETARY



PRESIDENT