

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
November 19, 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 November 19, 2020.

ROLL CALL

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

Steve Oestman	Merlin Prior
Mike Bennett	

Directors present via videoconference were:

Jim Lueck	Leo Brekel
Ted Carter	David Kinnison
Merl Miller	Aaron Sprague
Pam Stieb	Brad Stromberger

Manager Dennis Herman and Attorney Bryson Fredregill were also 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 revised with the removal of Policy "3-6: Use of Community Room" from the Consent Agenda and approved as revised.

MINUTES APPROVED

The minutes of the October 15, 2020 meeting were presented and revised to include the time of adjournment. The minutes were approved as revised.

MANAGER'S REPORT

Manager Herman presented graphs of kWh Purchased, kWh Sold, Expenses, Operating Margins, and Cash & Investments through October 2020. Herman discussed the variances from budget.

Herman presented and reviewed the Ormat summary for October. Highline recognized a net benefit of \$49,787.75 Y-T-D. Aaron Sprague provided an update on matters concerning the Republican River Water Conservation District. Brad Stromberger reported that the Parker reservoir project is proceeding through the notice and objection phase.

Herman reported on his meeting with Colorado legislators. He reported that the Colorado PUC dismissed the United and La Plata complaint against Tri-State. The board discussed the associated litigation in Adams County. Herman updated the board regarding the effects of COVID-19 on Highline personnel. Herman proposed a 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 or CAT time. The board directed Herman to proceed with the plan as presented.

Herman reported on a cyberattack incident and remedial measures taken by Highline. He reported on the passage of Proposition 118 and the resulting payroll tax increase. He also provided updates on the Interstate Substation contract, employee Christmas party, and policies likely to arise from the shift in control resulting from the 2020 election. He also reported on a request from the City of Chappell to self-supply power to its sewer facilities. He presented a request for donation from Western States Community College, a notice of potential embezzlement from the Peerless Theater, an updated shared services agreement, and a notice of rate increase from Williamson Lowery Fredregill. The board discussed the rate increase and requested that future notices be received by the October board meeting.

Herman presented a proposal to purchase a table with PC Telcom, CHS, and the Holyoke Credit Union for the Melissa Memorial Foundation Fundraiser. 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.

OPERATIONS REPORT

Rance Ferguson presented the November Operations Report. He reported on receipt of new bucket trucks, Highline's contribution to mutual aid relief for the East Troublesome fire, oversized loads, 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, community outreach projects, and Revolving Loan Fund loans.

ENGINEERING REPORT

Alex Astley presented the November Engineering Report. He reported on SCADA monitoring of the new West Plains tie circuit and recloser configuration for Wages and Wauneta. He reported on IT implementation of multi-factor authentication. He reported that 7,100 AMI meters have been deployed. Astley provided updates on several other projects including AMI towers, Interstate Substation upgrades, a rebuild project, and phone/internet interruption and testing.

CORPORATE SERVICES REPORT

Jim Jackson presented the November Corporate Services Report. Highline had \$6,601,071.34 in CFC Commercial Paper and Select Note investments as of October 30, 2020. Highline has a deferred revenue balance of \$706,072.34 as of October 30, 2020. Highline paid \$2,398.75 in fees on \$190,435.69 worth of credit card payments in October. Jackson presented the Form 7, cash flow, and check register.

CONSENT AGENDA

The Consent Agenda contained the following items:

- 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

Attorney Fredregill recommended that one of the proposed estate capital credit refunds be removed from the consent agenda. The estate was removed. The items on the revised Consent Agenda were approved by unanimous consent.

POLICY 3-6: Use of the Community Room

Herman presented revised Policy 3-6. The board discussed the circumstances under which Highline should allow use of the community room by third parties. Staff will revise the policy further and present it at the December 2020 meeting.

TRI-STATE POLICY 119

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

PAY EQUITY ANALYSIS

The action to authorize Employers Council to perform a pay equity audit approved at the October meeting was presented for ratification because the topic of pay equity analysis was not noticed at least 10 days prior to the October meeting. 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.

MANAGER EVALUTAION FORM

Herman presented Highline's and NRECA's manager evaluation forms. The board reviewed both forms and directed that the Highline form be utilized with the performance rating scale modified to a range from 1 to 5.

POLICY 2-2

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

CREA WILDFIRE RELIEF FUND

Herman presented information on the CREA Wildfire Relief Fund. It was properly moved, seconded, and carried to donate \$500.00 to the fund.

NRECA INTERNATIONAL

Manager Herman presented a request for donation from NRECA International to fund a program designed to benefit small businesses in communities supported by NRECA International. It was properly moved, seconded, and carried to donate \$100.00 to the

NRECA "Empowering Small Businesses to Strengthen Communities" fund.

CONSTRUCTION CONTRACT APPROVAL

Alex Astley presented bids for a contract to rebuild distribution line and replace switches at five switch stations. Highline received 9 bids. It was properly moved, seconded, and carried to award the contract to Altitude Energy with the low bid of \$1,314,341.16.

President Bennett recessed the meeting at 12:00 noon and reconvened at 12:45 p.m.

2021 BUDGET

General Manager Herman presented the proposed 2021 budget.

It was properly moved, seconded, and carried to go into executive session for confidential discussion regarding personnel matters and the 2021 budget, with the following in attendance: All directors present at the meeting, Manager Herman, and Attorney Fredregill. It was properly moved, seconded, and carried to exit executive session.

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 employees' respective county fairs.

It was properly moved, seconded, and carried to approve the 2021 budget as presented.

TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. He reported on the electric resource plan and ongoing evaluations of the Southwest Power Pool. Tri-State's margins are \$18.5 million above budget. Brekel discussed the long-term financial forecast. Tri-State's special meeting produced a recommendation that partial requirements members that maintain a 50% capacity requirement maintain or be granted a seat on the Tri-State board of directors. Brekel recommends that an entity receive at least 75% of its capacity from Tri-State before being granted a seat on the Tri-State board.

CREA

Director Lueck reported on his attendance at the regular meeting of the CREA Board of Directors. He discussed anticipated legislation in the following areas, regional transmission organizations, beneficial electrification, wildfire management, and mandatory reporting for power providers.

WESTERN UNITED

Ted Carter reported on his attendance at the regular meeting of the Western United Electric Board of Directors. Sales were up

in October, but margins were slightly lower due to Western United stocking excess inventory in anticipation of shortages.

BASIN ANNUAL MEETING

Herman and Brekel reported on their attendance at the Basin Electric Annual Meeting.

COLORADO NRECA MEETING

Herman reported on his attendance at the Colorado NRECA meeting. The proposed Federal financing flexibility legislation remains a top priority.

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 Mike Bennett 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 2:05 p.m.



SECRETARY



PRESIDENT