

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
April 19, 2018

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 April 19, 2018.

ROLL CALL

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

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

Manager Farnsworth and Attorney Williamson were also present. Attorney Williamson recorded the minutes of the meeting.

AGENDA

The Agenda was approved as presented.

ELECTION OF OFFICERS

The Board elected officers by secret ballot as follows:

President:	Mike Bennett
Vice-President:	Jim Lueck
Secretary:	Merlin Prior
Treasurer:	Merl Miller

MINUTES APPROVED

The minutes of the March 15, 2018 meeting were approved as presented.

The minutes of the March 20, 2018 meeting were approved as presented.

MANAGER'S REPORT

Manager Farnsworth presented graphs of kWh Purchased and kWh Sold for March 2018. Farnsworth presented and reviewed the Ormat summary for March 2018. Highline recognized \$7,551.64 in savings in March and \$44,390.47 Y-T-D. Aaron Sprague reported on RRWCD matters. The Board discussed the Highline Annual Meeting. Farnsworth reported on the status of potential EV charging stations along I-76 in Highline's service territory. The Board discussed issues surrounding Highline's rate for charging stations. Highline donated \$2,500 to the CREA CARE 527 account and the NREA last year. The Board discussed donating this year.

It was properly moved, seconded and carried to donate \$2,500 to CREA's CARE 527 account and to Nebraska ACRE.

It was properly moved, seconded and carried to donate a total of \$3,200 out of Highline's general funds and \$1,000 from Tri-State to area 4-H clubs, FFA clubs, and volunteer fire departments, and to apply for CoBank's Sharing Success matching grant.

OPERATIONS REPORT

Rance Ferguson presented the April Operations Report. He reported on substation testing, pole testing and contractor projects.

Ferguson presented the safety committee report. There were no accidents. He presented the outage report. He reported on the April 13 snow storm and related outages.

ENGINEERING REPORT

Trent Loutensock presented the April Engineering Report. He reported on the engineering and operations departments' analysis of the storm outages and possible system modifications that might reduce future outage time during similar storms. Loutensock reported that communications equipment added to Highline's system helped personnel restore power faster. Loutensock reported on the status of construction projects, the system overcurrent sectionalizing project, the AMI project, and the Chase substation LTC to voltage regulator change-out.

MEMBER AND CORPORATE SERVICES REPORT

Dennis Herman presented the April Member and Corporate Services Report. The Cushion of Credit balance was \$3,049,540.74 as of 3/31/18. HEA had \$10 million in CFC Select Notes as of 4/12/18. HEA paid \$1,641.95 in fees on \$152,880.49 worth of credit card payments in March. Herman reported on rebates paid to members. Highline received a capital credit refund of \$116,868 from CoBank. Herman presented the Form 7, cash flow, and check register.

POLICY 1-9

Manager Farnsworth presented revised Policy 1-9. It was properly moved, seconded, and carried that Policy 1-9 be approved as presented.

POLICY 1-17

Manager Farnsworth presented revised Policy 1-17. It was properly moved, seconded, and carried that Policy 1-17 be approved as presented.

SAFETY COMMITTEE REPORT

It was properly moved, seconded, and carried that the Safety Committee Report be approved as presented.

APPROVE NEW MEMBERS

It was properly moved, seconded, and carried that the list of new members listed below be accepted as members of Highline.

- 14 ENTERPRISE LLC
- BAHNSEN, PAMELA
- CLARK, GINGER
- CLARK, TRAVIS

DEDRICKSON, WESTON
FERRER, MICHAEL
FUST, EVAN
GILLIS GARRETT COOK III
HASSTEDT, WILFRED W
HAYNES, MIKE
KORF, DARLENE
LADD, JEFF & DENISE
LARRABEE FARM
LAUGHLIN, GINA
MAINORD, JOSH
MATUTE, DEISY
MORRIS, DOUGLAS

SUBORDINATION AGREEMENTS CONTRACTS AND RELEASE OF LIENS

It was properly moved, seconded, and carried that the following Subordination Agreements, Contracts, and Releases be approved:

Contract & Lien Releases

Marc & Anne Newman-3
Wilder Farms-2
Olan Wallin
Olan & Mary Wallin Family Trust-2
Julia F. Brethower & Betty L. Haarberg-2

ESTATE CAPITAL CREDIT REFUNDS

It was properly moved, seconded, and carried that the following capital credit refunds be approved:

David Belke	\$ 427.07
Maxine Coakley	550.51
Alberta L. Killin	754.46
Lyle S. Lundgren	1,177.62
Marion Lee Meracle	738.88
Edna Mae Yenter	30.78

SOLAR PROJECT

Jon Sullivan from Microgrid entered the meeting. Kevin Brehm from RMI appeared by telephone. It was properly moved, seconded and carried to go into executive session to receive confidential pricing for a potential solar PPA and for confidential negotiations regarding the PPA and solar land lease, with the following in attendance: all directors present at the meeting, Jon Sullivan, Kevin Brehm by telephone, Manager Farnsworth, Herman, Loutensock, Ferguson, and Attorney Williamson. It was properly moved, seconded and carried to exit executive session. Sullivan and Brehm left the meeting during the executive session.

President Bennett recessed the meeting at 11:58 a.m. for lunch and reconvened the meeting at 12:52 p.m.

The Board discussed the solar project. It was properly moved, seconded and carried to approve the solar project under the terms discussed in executive session and to authorize General Manager Farnsworth to execute a PPA, land lease and other related documents as necessary for the project.

IRS FORM 990

The Board reviewed Highline's IRS Form 990 and completed 990 questionnaires. The directors completed Highline's Personal & Business Relationship & Potential Claims Disclosure Report.

AUDIT REPORT

Manager Farnsworth and Dennis Herman reviewed the written Audit Report. Highline received an unmodified opinion. It was properly moved, seconded and carried to accept the Audit.

CAPITAL CREDIT ALLOCATION

Dennis Herman presented the proposed allocation of 2017 net margins. It was properly moved, seconded and carried to allocate 2017 net margins of \$2,692,655.42.

MEMBER ORGANIZATION REPRESENTATIVE ELECTION

The Board elected representatives to member organizations as follows:

CREA:	Jim Lueck; Alternate-Ted Carter
WUE:	Ted Carter; Alternate-Jim Lueck
NREA:	Merlin Prior; Alternate-Merl Miller; 2 nd Alternate-Manager Farnsworth

TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors and the Annual Meeting of Tri-State Members. He reviewed Tri-State's February financials. The Tri-State Board approved moving forward with application into SPP. San Isabel Electric Association offered \$1 billion to purchase Black Hills Energy. Tri-State will serve the Arkansas River Power Authority's electric service needs.

CREA

Director Lueck reported on the regular meeting of the CREA Board of Directors. CREA personnel went to Guatemala in connection with CREA's International Program. Lueck reported on legislation that CREA is monitoring. Lueck reported on preparations for the May CREA meeting, which will be held in Sterling.

WESTERN UNITED

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

CREA LEGISLATIVE WORK SESSION

Manager Farnsworth reviewed CREA's questions for the upcoming legislative work session.

NREA

Director Prior reported that there was no meeting of the NREA Board of Directors. He reported on legislation that NREA is monitoring.

CREA LEGISLATIVE CONFERENCE

Directors Lueck and Bennett, and Manager Farnsworth, reported on their attendance at the legislative conference.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

EXECUTIVE SESSION

It was properly moved, seconded and carried to go into executive session for attorney-client privileged discussion and legal advice related to potential bylaw changes, with the following in attendance: All directors present at the meeting, Manager Farnsworth and Attorney Williamson. It was properly moved, seconded and carried to exit executive session.

PUBLIC COMMENT

There was no Public Comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 3:09 p.m.



SECRETARY



PRESIDENT