

HIGHLINE ELECTRIC ASSOCIATION  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
June 21, 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 June 21, 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	Brad Stromberger
Ted Carter	

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

AGENDA

The Agenda was revised and approved as revised.

MINUTES APPROVED

The minutes of the May 17, 2018 meeting were approved as presented.

The minutes of the June 7, 2018 meeting were approved as presented.

MANAGER'S REPORT

Manager Farnsworth presented graphs of kWh Purchased, kWh Sold, Operating Revenue, Expenses, Operating Margins, Cash and Investments through May 2018. Aaron Sprague reported on issues related to the Republican River Water Conservation District. Farnsworth reported on the status of the Upper Republican meter pilot project. He reported on his conversation with PC Telcom regarding a possible partnership between Highline and PC Telcom. Farnsworth reported on Xcel's Power Plan. The national farm bill would eliminate the RUS cushion of credit program. Farnsworth will send a letter to Jim Matheson opposing elimination of the program.

ENGINEERING REPORT

Trent Loutensock presented the June Engineering Report. The fall/winter construction projects are complete and Loutensock sent close-out documents to the contractor. Loutensock reported on preparations for 2018-19 construction projects and the status of the AMI project. Loutensock is working on a contract for a cyber security audit.

OPERATIONS REPORT

Rance Ferguson presented the June Operations Report. He reported on the June 6 storm and related outages. He reported on line crew projects and damage to Highline lines caused by farm equipment.

Ferguson presented the safety committee report. There was one accident with no injuries. Ferguson presented the outage report.

MEMBER AND CORPORATE SERVICES REPORT

Dennis Herman presented the June Member and Corporate Services Report. The Cushion of Credit balance was \$3,050,444.85 as of 5/31/18. Highline had \$8,500,000 in CFC investments as of 6/15/18. Highline paid \$1,547.87 in fees on \$129,405.73 worth of credit card payments in May. Herman reported on new services and rebates. He presented the Form 7, cash flow, and check register. Herman reported that the State of Nebraska will not allow a lien to be placed on its irrigated land. Herman plans to require the tenant farmer to pay a deposit equal to two month's expected usage.

POLICY 1-12

Manager Farnsworth presented Policy 1-12. It was properly moved, seconded and carried to approve Policy 1-12 as presented.

POLICY 1-14

Manager Farnsworth presented Policy 1-14. It was properly moved, seconded and carried to approve Policy 1-14 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.

Big B's Bar & Grill LTD	Bell, Arthur
Burns, Chad	Central Plains Equipment
Christner, Chantell	Danks, William
Doorn, Derek	Dodrill, Randall
Foote, Brad	Gardner, John W.
Gomez, Ernesto	G&L Farming Services
Lamar, Shandrice	Langin, Sean
Noeth, Barbara	Pflum, Steven
Phillips Colo Land LLC	Schaefer, Jim
Serrano, Frankie	Tebbe, David
Triffet, Brian	

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

James Scholl  
Bieber Farms, LLC  
George Seward

Subordination Agreements

T. Giacomini Ranch, Inc.  
Chris H. Bieber & Janice M. Bieber-2

Clayton R. Willmon-8  
George L. Seward & Debra D. Seward-11

ESTATE CAPITAL CREDIT REFUNDS

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

Vincent L. Marvin	\$ 485.41
A. Jean McNair	4,279.66

RIVERVIEW SOLAR PROJECT

Manager Farnsworth reported on the status of the Riverview solar project. He executed the land lease. The parties are close to finalizing the PPA.

ASSET TRANSFER RESOLUTION

Manager Farnsworth presented a resolution approving the transfer of an easement to Tri-State as part of the BP-109 asset transfer. The resolution was revised to change "sell" to "transfer" and to delete "for the depreciated value of the Property at closing." It was properly moved, seconded and carried to approve the resolution as revised.

TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. He reported that the Tri-State Board revised Policy 115. Craig 3 is back online. Brekel reviewed Tri-State's financials. Brekel is a member of the committee tasked with reviewing Policy 115 for potential revisions. Tri-State is investigating how to proceed with the application for membership in SPP considering Xcel's withdrawal.

CREA

Jim Lueck reported on his attendance at the regular meeting of the CREA Board of Directors. The meeting was hosted by Highline in Sterling. Lueck reported on the CREA Board work session and the CREA project in Guatemala.

President Bennett recessed the meeting for lunch at 12:05 p.m. and reconvened at 1:00 p.m.

WESTERN UNITED ELECTRIC

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

CFC FORUM

Dennis Herman reported on his attendance at the CFC Forum.

Public Comment

There was no public comment.

EMERGENCY BUSINESS

Farnsworth reported that DMEA submitted a complaint to Tri-State under Tri-State's Policy 316 complaint procedure. He presented DMEA's complaint regarding Tri-State's refusal to disclose certain information regarding Kit Carson's buyout. The complaint policy allows any Tri-State member to make a presentation or present argument at the hearing. The Board discussed whether to participate and decided that Highline should not participate.

MEETING ATTENDANCE

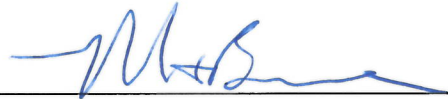
The directors discussed attendance at upcoming meetings.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 1:30 p.m.



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SECRETARY



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PRESIDENT