

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
August 16, 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 August 16, 2018.

ROLL CALL

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

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

Manager Farnsworth and Attorney Bryson Fredregill were also present. Attorney Fredregill recorded the minutes of the meeting. Leo Brekel arrived prior to the Member Services Report.

AGENDA APPROVED

The Agenda was revised to remove Policy 2-5 from and add Rules and Regulations to the Consent Agenda. The Agenda was approved as revised.

MINUTES APPROVED

The minutes of the July 19, 2019 meeting were presented and approved as presented.

NREA GRASSROOTS PRESENTATION

James Dukesherer gave a presentation of issues of concern to NREA. He summarized the most recent Nebraska legislative session. He specifically discussed issues related to property tax relief and the provision of broadband services to rural areas

MANAGER'S REPORT

Manager Farnsworth presented graphs of Cumulative kWh Purchased and kWh Sold through July 2018. Farnsworth presented and reviewed the Ormat summary for July. Highline recognized savings of \$14,269.48 in July and \$93,686.20 Y-T-D.

Manager Farnsworth provided an update on water issues that may affect Highline's service territory. Director Aaron Sprague provided an update on proposed legislation affecting the Republican River Water Conservation District.

Manager Farnsworth reported on various options for the use of the approximately \$2.2 million Highline received from Tri-State as a result of the Tri-State Policy 109 asset transfer. Farnsworth lead a discussion on equity management, including consideration of what equity position is ideal for Highline and its members.

Farnsworth presented the Guatemala Clean Water Fundraiser. CREA, along with the Oklahoma Association of Electric Cooperatives, is sending linemen volunteers to Guatemala to electrify two remote villages. The joint effort is requesting donation of water filters,

which cost approximately \$35.00 apiece. It was properly moved, seconded, and carried to donate \$500.00 to the project for the purchase of water filters.

Farnsworth reported on the efforts of the NREA Broadband Task Force to measure rural Nebraska broadband speeds. Farnsworth also reported on the upcoming Highline director elections.

ENGINEERING REPORT

Trent Loutensock presented the August Engineering Report. Loutensock reported on the status of construction projects, extending the IP communications network, the cybersecurity audit, and the substation testing and maintenance program. Loutensock reported on the status of AMI meter deployment, tower installation, and associated land acquisition.

OPERATIONS REPORT

Mark Farnsworth presented the August Operations Report. Farnsworth reported on the damage cause by the July thunderstorms, which included the loss of 45 poles.

Farnsworth presented the safety committee report and reported on safety training. There were no accidents. Farnsworth presented the outage report.

Director Leo Brekel entered the meeting.

MEMBER AND CORPORATE SERVICES REPORT

Dennis Herman presented the August Member and Corporate Services Report. The Cushion of Credit balance was \$2,466,990.55 as of July 31, 2018. HEA had \$7,000,000.00 in CFC investments as of August 10, 2018. HEA had \$1,538.99 in fees on \$120,457.62 worth of credit card payments in July. Herman reported on the July and year to date rebates. Herman presented the Form 7, cash flow, and check register.

POLICY 1-15

Manager Farnsworth presented Policy 1-15. It was properly moved, seconded, and carried that Policy 1-15 be approved as presented.

POLICY 1-16

Manager Farnsworth presented Policy 1-16. It was properly moved, seconded, and carried that Policy 1-16 be approved as presented.

POLICY 1-21

Manager Farnsworth presented Policy 1-21. It was properly moved, seconded, and carried that Policy 1-21 be approved as presented.

Rules and Regulations

Manager Farnsworth presented revised Rules and Regulations. It was properly moved, seconded, and carried that the Rules and Regulations 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.

Annis, Carlina	Banks, Tatia
Berthiaume, Kellie	Driewer Trust, Lewis
Duester, Jill	Green, Russell D
Geneva Archbold Farm LLC	Haney, Savanna Rose Marie
Heringer, Karyn	Kleve, Nicole
Martinez, Robert Jr.	Mekalburg, Amber
Nutrien Ag Solutions, Inc	Own Resources Operating, LLC
Rath, Kerri	Redfern, Parker
Renteria, Samantha	Republican River Water Cons. Dist.
Robinson, Proche	Schneider, Heide
Wells, Daile	

SUBORDINATION AGREEMENTS CONTRACTS AND RELEASE OF LIENS

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

Subordination Agreements

Jason Kunkel

Contract & Lien Releases

James C. Kunkel
Black Alpha II LLC - 4
Spuds and Suds LLC - 2
Brandon Larson - 15

ESTATE CAPITAL CREDIT REFUNDS

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

Eufracia Seacrest	\$	1,449.35
Wynona White		411.72

EXECUTIVE SESSION

It was properly moved, seconded and carried to go into executive session for confidential discussion regarding a business opportunity and personnel matters with the following in attendance: all directors present at the meeting, Manager Farnsworth, and Attorney Fredregill. It was properly moved, seconded and carried to exit executive session.

President Bennett recessed the meeting at 11:55 a.m. for lunch and reconvened at 12:45 p.m.

RIVERVIEW SOLAR PROJECT UPDATE

Manager Farnsworth updated the board on the status of the Riverview Solar Project. Farnsworth reported that land acquisition for the project is complete.

POLICY 1-22

The Board reviewed Policy 1-22. They revised to include the Manager of Engineering as a responsible party under Section 18. It was properly moved, seconded, and carried to approve Policy 1-22 as revised.

TRI-STATE MEMBER SURVEY

Manager Farnsworth presented the Tri-State Member Survey. The board reviewed the survey and answered each of the questions by consensus.

RENEWABLE ENERGY SAVINGS PROGRAM

Manager Farnsworth reported on correspondence with RUS regarding the use of the previously approved \$500,000.00 RESP loan. Farnsworth reported that the funds can be utilized to fund several different energy efficiency projects, including lighting, HVAC equipment, building envelope improvements, water heaters, and motors. Farnsworth recommended that the funds be used as part of an on-bill financing program for HVAC equipment and building envelope improvements. Staff will report back with more information on the proposed program.

MEMBER SERVICES MANAGER VEHICLE BID

Manager Farnsworth presented the bid for the Member Services Manager vehicle. Highline received one bid for a Chevrolet Traverse in the amount of \$36,369.00 from Harchelroad Motors. It was properly moved, seconded, and carried to accept the low and only bid from Harchelroad Motors.

TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Tri-State hit a new peak on June 28. Tri-State's finances are good and very close to budget. Brekel reported on a Policy 115 presentation.

CREA

Jim Lueck reported that there was no regular meeting of the CREA Board of Directors.

WESTERN UNITED

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

NREA

Merlin Prior and Mark Farnsworth reported on their attendance at the regular meeting of the NREA Board of Directors. Many of the legislative topics discussed were the same as those presented by James Dukesherer earlier in the meeting. NREA decided that in order to receive the online version of its magazine, members must subscribe to the paper form. Other topics discussed

included the cost of railroad crossing permits, taxing small solar, dark fiber leasing, broadband easements, and bankruptcy priority. NREA anticipates a dues increase of approximately 2%.

BASIN ELECTRIC

Leo Brekel reported on his attendance at the regular meeting of the Basin Electric Board of Directors. He discussed the status of the early voluntary separation program.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

Merl Miller and Steve Oestman were designated as delegate and alternate, respectively, for the Mid-West Electric Consumers Annual Meeting.

PUBLIC COMMENT

There was no Public Comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 3:00 p.m.



SECRETARY



PRESIDENT