

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
September 20, 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 September 20, 2018.

ROLL CALL

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

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

Manager Farnsworth and Attorney Levi Williamson were also present. Attorney Williamson recorded the minutes of the meeting. Jim Lueck was absent.

AGENDA APPROVED

The Agenda was revised and approved as revised.

MINUTES APPROVED

The minutes of the August 16, 2018 meeting were presented and approved as presented.

MANAGER'S REPORT

Manager Farnsworth presented graphs of Cumulative kWh Purchased and kWh Sold through August 2018. Farnsworth presented and reviewed the Ormat summary for August. Highline recognized savings of \$15,304.35 in August and \$108,990.55 Y-T-D.

Farnsworth reported that Mike Benson requested that Highline release the lien on his Chevy HHR. The lien is held as collateral for the RLF loan to Benson. Benson is current on the loan and Highline holds a lien on real property. It was properly moved, seconded and carried to approve a release of lien on Benson's Chevy HHR.

Farnsworth presented a letter from Midwest Electric encouraging Highline to donate to the Nebraska Water Balance Alliance. The Board discussed the Alliance.

CFC allocated \$8,677.13 and refunded \$4,338.57 to Highline. Farnsworth presented a letter from RUS regarding its review of Highline's loan fund transactions. Highline had all records requested by RUS. RUS requested that Highline complete a new construction work plan. Farnsworth reported on personnel matters.

ENGINEERING REPORT

Trent Loutensock presented the September Engineering Report. Loutensock reported on the status of construction projects, mobile substation training, load management, 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

Rance Ferguson presented the September Operations Report. Ferguson reported that nine substations will be shut down during substation testing. The weed spraying contractor sprayed again. Ferguson reported on substation infrared testing and line crew projects. The new Sterling bucket truck arrived August 30.

Ferguson presented the safety committee report and reported on safety training. There were three accidents. Ferguson presented the outage report.

MEMBER AND CORPORATE SERVICES REPORT

Dennis Herman presented the September Member and Corporate Services Report. The Cushion of Credit balance was \$2,466,990.50 as of August 30, 2018. HEA had \$9,300,000.00 in CFC investments as of September 14, 2018. HEA had \$1,658.34 in fees on \$136,066.28 worth of credit card payments in August. Herman reported on rebates. Herman filed a small claims court case against Eagle Extension Cords. The Air Force refuses to pay late fees. Herman suggests including average late fee charges in the Air Force rate. Herman presented the Form 7, cash flow, and check register.

POLICY 1-19

Manager Farnsworth presented Policy 1-19. It was properly moved, seconded, and carried that Policy 1-19 be approved as presented.

POLICY 2-5

Manager Farnsworth presented revised Policy 2-5. It was properly moved, seconded, and carried that Policy 2-5 be approved as presented.

POLICY 2-6

Manager Farnsworth presented Policy 2-6. It was properly moved, seconded, and carried that Policy 2-6 be approved as presented.

POLICY 3-7

Manager Farnsworth presented revised Policy 3-7. It was properly moved, seconded, and carried that Policy 3-7 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.

Brown, Connie
Constance, Rick
Dickerson, Jennifer
Hightower, Nichole

Brumgardt, Larry
Davis, Kathleen
Garrett, Levi
Jacobs, Don W.

Jorgensen, Tim
Legacy Land CO LLC
Miller, Timothy
Rosas, Scott
WB Pipeline

Kinner, Harry
Maupin, Jody
Norquay, Shirley
Wagoner, Megan
Woodward, Gena

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

Alvin Christensen

Contract & Lien Releases

Thomas Huss
Gerald Seip
Lillian Seip
Eagle Creek Colorado, LLC
0408 CO US Yuma, LLC-7

ESTATE CAPITAL CREDIT REFUNDS

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

Elizabeth A. Lei	\$	1,478.90
Marjorie Rieke		721.64
Gerald Smith		4,073.79
Donald Swisher		44,764.86

POLICY 1-23

General Manager Farnsworth presented new Policy 1-23, Protecting Consumer Data. It was properly moved, seconded and carried to approve Policy 1-23 as presented.

RIVERVIEW SOLAR

Manager Farnsworth reported that he signed the contract with Tri-State for the Riverview Solar project.

VEHICLE UNIT 2 REPLACEMENT

Unit 2 was damaged in an accident. Ferguson recommends purchasing a 2018 model year truck to replace the unit. It was properly moved, seconded and carried to authorize staff to replace vehicle unit #2 at their discretion.

RESP LOAN DOCUMENTS

General Manager Farnsworth presented a resolution to obtain a \$500,000.00 RUS loan for on-bill financing of energy efficiency projects. Farnsworth presented the draft loan contract and promissory note. It was properly moved, seconded and carried to approve the resolution as presented.

FFB LOAN REFINANCING

Dennis Herman reported that Highline received an invitation to proceed with refinancing FFB loans. Herman reviewed his analysis

of the refinancing options. Herman does not recommend refinancing the notes due to lack of savings.

PRELIMINARY BUDGET

Manager Farnsworth reviewed the preliminary 2019 budget. He reviewed several expenses that have not been in previous budgets.

EXECUTIVE SESSION

It was properly moved, seconded and carried to go into executive session for confidential discussion regarding the General Manager search and benefits, 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.

President Bennett recessed the meeting at 12:30 p.m. for lunch and reconvened at 1:12 p.m.

TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. He reviewed 2018 finances and the 2019 budget, which was approved. There will be no rate increase for 2019. He reported on the Tri-State member survey results. Tri-State's New Mexico assets will likely be pulled into CAL-ISO if Public Service of New Mexico joins CAL-ISO. PSCO plans to shut down Comanche 1 & 2. Tri-State will offer a new heat rate for east side delivery customers. The parties to the Las Conchas fire litigation settled.

WESTERN UNITED

Ted Carter reported on his attendance at the regular meeting of the Western United Electric Board of Directors. Sales are up, but the back-log is down. Western admitted a new member in Idaho. Greg Mordini will be the new CEO.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

Ted Carter 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 2:00 p.m.



SECRETARY



PRESIDENT

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