

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
March 21, 2019

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 March 21, 2019.

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	Aaron Sprague
Pam Stieb	Brad Stromberger
Leo Brekel	

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

AGENDA

The Agenda was revised and approved as revised.

MINUTES APPROVED

The minutes of the February 21, 2019 meeting were revised by replacing "semi-annual" with "annual" in the second sentence of the Member Services Report. The minutes were approved as revised.

MANAGER'S REPORT

Manager Farnsworth presented graphs of the kWh Purchased, kWh Sold, Expenses, Operating Margins, and Cash & Investments for February 2019. Farnsworth presented and reviewed the Ormat summary for February 2019. Highline recognized \$1,681.96 in savings in February. Farnsworth reported on Air Force plans to rebuild several missile sites around the country by 2026. Farnsworth reported on plans to update the avian protection plan. Farnsworth also reported on how cuts to USDA funding may affect cooperative electric associations.

MEMBER SERVICES REPORT

Tadius Huser presented the March Member Services Report. He reported on new services and energy efficiency rebates. He reported on the performance of his department during the bomb cyclone weather event. He reported that Highline Electric Association received 100 additional Facebook likes during the event. He updated the board on the status of ongoing renewable energy projects in HEA's service territory. Huser also updated the board on preparations for the annual meeting.

OPERATIONS REPORT

Ferguson presented the Safety Committee Report. There were no lost time accidents. He presented the Outage Report.

Rance Ferguson presented the March Operations Report. He reported on construction of the Wauneta Monopole. Because of site conditions, crews were only able to set the lower two thirds of the pole. The last one third of the pole is scheduled to be set in the week following the meeting. Rance reported on the performance of HEA crews during bomb cyclone. He demonstrated the OMS and the customer outage interface.

CORPORATE SERVICES and ENGINEERING REPORT

Dennis Herman presented the March Corporate Services Report. The Cushion of Credit balance was \$5,901,691.04 as of 2/28/19. HEA had \$3 million in CFC investments as of 3/13/19. HEA paid \$1,630.04 in fees on \$156,970.88 worth of credit card payments in January. He reported that HEA's retirement plan is due for participant review. Herman reported that NISC offered HEA a payout of HEA's equity ownership for the discounted amount of \$4,368.26. Herman recommended acceptance of the offer. It was properly moved, seconded and carried to accept NISC's offer of a discounted payout in the amount of \$4,368.26.

Dennis Herman presented the March Engineering Report. He reported that HEA engineers have been working on HEA's electrical model in preparation for running existing and recommended system models for the upcoming Construction Work Plan.

Herman also presented the Financial and Operating Report, Cash Flow Report, and Check Register.

POLICY 1-5

Manager Farnsworth presented revised Policy 1-5. It was properly moved, seconded, and carried that Policy 1-5 be approved as presented.

POLICY 1-10

Manager Farnsworth presented Policy 1-10. It was properly moved, seconded, and carried that Policy 1-10 be approved as presented.

POLICY 2-1

Manager Farnsworth presented revised Policy 2-1. It was properly moved, seconded, and carried that Policy 2-1 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.

Alsa Farms
Bierman, Misti
Gower, Taylor
Hamblin, Sheridan
L7 AG, LLC

Bergner, Landon
Dos Encinos
Guernsey, Jeff
Jackson Jr, George
Labore, Robert

SUBORDINATION AGREEMENTS AND CONTRACT AND LIEN RELEASES

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

Contract & Lien Releases

- Elmo and Doyle Nieman Company - Partial Lien Release
- D and D Partnership
- Dale and Patti Jo Haynes
- Rudolph D. and Randolph J. Haynes
- 3T Family Land Co.
- Stromberger Farms
- Supreme Investments
- Terry Martin

ESTATE CAPITAL CREDIT REFUNDS

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

Leroy Lee McClean	\$640.07
Ramona Karg	\$278.50

AMI UPDATE

Dan Kafka and Elon Nelson presented an AMI update. Kafka reported on deployment progress and plans. He reported on necessary tower upgrades. Nelson reported on meter installation progress. To date, 2000 meters have been installed. He reported on the modifications required to install Sensus meters on Delta systems. The bomb cyclone weather event gave staff an opportunity to observe AMI meter outage reporting.

OVID OFFICE UPGRADE

Farnsworth updated the board on the status of Ovid Office Upgrade. Farnsworth presented images and floorplans for the proposed upgrade. Farnsworth discussed the security issues that will be remedied by the upgrade. The initial bid for the upgrade came in significantly over budget. HEA will open up the project for further bidding and return to the board with the submitted bids.

RIVERVIEW SOLAR PROJECT UPDATE

Farnsworth updated the board on Pivot's efforts to secure financing for the Riverview Solar Project with a PPA model that meets HEA's needs. If the project is not built by the end of 2019, then HEA will not be able to take advantage of Tri-State Policy 115.

DOCUPOSTS RLF DOCUMENT APPROVAL

Farnsworth presented a resolution authorizing a loan from the Revolving Loan Fund to RoHo Enterprises, LLC d/b/a DocuPots. It was properly moved, seconded, and carried to approve the resolution as presented.

EXECUTIVE SESSION

It was properly moved, seconded, and carried to go into executive session to discuss confidential business information and confidential personnel matters, with the following in attendance: Manager Farnsworth, Dennis Herman, Rance Ferguson, Tadius Huser, Elise Pocock, Attorney Fredregill, and all Directors present at the meeting. Herman, Ferguson, Huser, and Pocock exited the executive session prior to discussion of confidential personnel matters. It was properly moved, seconded, and carried to come out of executive session.

President Bennett recessed the meeting at 12:05 p.m. for lunch and reconvened at 12:50 p.m.

TRI-STATE

Director Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Brekel presented the results of Tri-State's 2018 financial reconciliation. He updated the board on developments in DMEA's complaint against Tri-State before the PUC. Brekel and Director Merlin Prior reported on their attendance at a Tri-State Special meeting and discussions related to the proposed bylaw amendment.

CREA

Director Lueck reported on the regular meeting of the CREA Board of Directors. He reported on a greenhouse gas bill that will be introduced by K.C. Becker. He reported on legislation that would expand the applicability of the Family Medical Leave Act standards.

Western United

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

NREA TASK FORCE UPDATE

Director Merlin Prior and Manager Farnsworth provided an NREA Task Force Update. The Task Force is discussing the necessity of net metering.

NRECA ANNUAL MEETING

Directors Lueck, Carter, and Kinnison reported on their attendance at the NRECA Annual Meeting.

EMERGENCY BUSINESS

Mike Taylor presented a request to the board to change a previously approved assignment of capital credits to a discounted estate refund of capital credits. Dennis Herman explained the annual limit on discounted estate refunds.

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MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

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