

HIGHLINE ELECTRIC ASSOCIATION  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
April 18, 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 April 18, 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 Williamson were also present. Attorney Williamson recorded the minutes of the meeting.

AGENDA

The Agenda was revised and approved as revised.

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 21, 2019 meeting were revised to correct the spelling of the following names: Dale and Patti Jo Haynes, and Rudolph D. and Randolph J. Haynes. The minutes were approved as revised.

The minutes of the March 26, 2019 meeting were approved as presented.

MANAGER'S REPORT

Manager Farnsworth presented graphs of the kWh Purchased, kWh Sold, Expenses, Operating Margins, and Cash & Investments for March 2019. Farnsworth presented and reviewed the Ormat summary for March 2019. Highline recognized \$4,157.73 in savings in March and \$7,852.34 Y-T-D. Director Sprague reported on Republican River Water Conservation District matters. The Governor signed legislation to change the District's boundaries. Director Stromberger reported on Northern Colorado Water Conservancy District matters. Farnsworth reported on the status of the Riverview solar project. Farnsworth asked if the Board would like to donate to the 2019 Ride the Rockies and Pedal the Plains, through CREA.

It was properly moved, seconded and carried to donate \$500.00 to Ride the Rockies and Pedal the Plains, through CREA.

## OPERATIONS REPORT

Rance Ferguson presented the April Operations Report. He reported on storm outages. He reported on construction of the Wauneta Monopole. Ferguson reported on the results of the RESAP inspection. He reported on line crew projects.

Ferguson presented the Safety Committee Report. There was one accident, with no lost-time accidents. He presented the Outage Report.

## MEMBER SERVICES REPORT

Tadius Huser presented the April Member Services Report. He reported on new services and energy efficiency rebates. He reported on his attendance at the CREA Member Services meeting and the COSSA Solar Power and Storage conference. He reported on his work with members on net-metering projects. Huser reported on the status of the RESP energy efficiency program.

It was properly moved, seconded and carried to go into executive session to receive privileged legal advice from Attorney Williamson regarding the RESP program, with the following in attendance: All Directors present at the meeting, Manager Farnsworth, Dennis Herman, Rance Ferguson, Tadius Huser, and Attorney Williamson. It was properly moved, seconded and carried to come out of executive session.

Huser presented a list of proposed donations to area 4-H Councils, fire departments, and FFA chapters. Highline's donations are matched by Tri-State and CoBank. It was properly moved, seconded and carried to approve the donations as presented.

It was properly moved, seconded and carried to hold the 2020 Highline Annual Meeting on March 24, 2019.

## CORPORATE SERVICES AND ENGINEERING REPORT

Dennis Herman presented the April Corporate Services Report. He reported on RUS's new rules regarding prepayment of debt. HEA paid \$1,769.52 in fees on \$167,716.04 worth of credit card payments in March. He reported on the need to amend the Bylaws to reflect current law regarding voting on director elections. Herman also presented the Financial and Operating Report, Cash Flow Report, and Check Register.

## ENGINEERING REPORT

Dennis Herman presented the April Engineering Report. He reported on the necessary environmental report for the upcoming Construction Work Plan. He reported on the status of the tower sites for the AMI project.

## POLICY 1-3

Manager Farnsworth presented Policy 1-3. It was properly moved, seconded, and carried that Policy 1-3 be approved as presented.

## POLICY 3-8

Manager Farnsworth presented Policy 3-8. It was properly moved, seconded, and carried that Policy 3-8 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.

Ball, Ashley	Chaney, Muriel
Epp, David M.	Fair, Jonathan
Ferebee, Luke	Fetzer, Joyce L.
JCR Feedlot	Kokes, Mark
L7 Ag, LLC	Lebsock, Brandon
LJ Anderson Farms	Marlatt, James
Martinez, Eder	Miller, Joyce
Moreno, Aisha	Nowakowski, Cheryl
Noyes, Stephanie	Petersen, Arlene
Precision Investments, LLC	Rojo, Astolfo
Schafer, Michael	Sewolt, Eugene Michael
Slack, Kyle	Stromberger Family LLC
Thayer, Charles	Twenty-Six LLC
Wilson, Sandy	

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

Delmer B. Moss-2  
Calvin J. Dyer  
Calvin J. & Cindy L. Dyer  
Eldon L. Korf-2  
Ronald Miles  
Swish JV

Subordination Agreements

Randy A. Kramer Land Co., Randy A. Kramer, Karin R. Kramer,  
Bret Kramer, & Chad Anthony Kramer  
Triangle O LLLP-2

ESTATE CAPITAL CREDIT REFUNDS

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

Frank Allen	\$ 869.13
Elmer Epp	10,905.83
Clara Heermann	6,138.39
Lawrence & Clara Heermann	6,278.14
Lela Freeman	968.41
Dave Orton	1,024.24
Lee Roy Pickering	863.79

IRS 990

Dennis Herman reviewed the IRS 990 director questionnaire. The Directors completed their questionnaires.

OVID OFFICE REMODEL

General Manager Farnsworth presented drawings and an estimate for a remodel of the Ovid office. The Board discussed different options for the Ovid office. Staff will reconsider and bring the matter back to the Board.

2018 Audit

General Manager presented the 2018 audit report as prepared by DeCoria & Company, PC. Highline received a clean opinion.

It was properly moved, seconded and carried to accept the Decoria & Company, PC five-year agreement.

It was properly moved, seconded and carried to accept the audit report.

CAPITAL CREDIT ALLOCATION

Dennis Herman presented the proposed allocation of 2018 net margins. It was properly moved, seconded and carried to allocate 2018 net margins as presented.

MEMBER ORGANIZATION REPRESENTATIVE ELECTION

The Board elected representatives to member organizations as follows:

Tri-State: Leo Brekel  
CREA: Jim Lueck; Alternate-Ted Carter  
WUE: Ted Carter; Alternate-Jim Lueck  
NREA: Merlin Prior; Alternate-Merl Miller;  
2<sup>nd</sup> Alternate-Manager Farnsworth

2018 LOAD FORECAST

General Manager Farnsworth presented Tri-State's 2018 Highline load forecast and accompanying resolution. It was properly moved, seconded and carried to approve the resolution as presented.

RD APPLY INTAKE SYSTEM

General Manager Farnsworth presented the RD Apply Intake System resolution. It was properly moved, seconded and carried to approve the resolution as presented.

TRI-STATE

Director Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors and the Tri-State Annual Meeting. He reported on the status of the DMEA v. Tri-State PUC matter. The Tri-State membership approved the United

Power initiated bylaw amendment regarding partial requirements membership. The Tri-State contract committee will now reconvene to discuss how to implement the bylaw. Brekel presented graphs of 2018 energy use by Tri-State members. He reported on the system damage and aftermath of the bomb cyclone storm. Brekel reviewed Tri-State's financials. Farnsworth reported on potential legislation regarding renewable energy generation.

#### CREA

Director Lueck reported on the regular meeting of the CREA Board of Directors. He reported on 2019 legislation. HB-1261 creates goals for reduction of greenhouse gas emissions. He discussed legislation regarding utilities use of existing easements for broadband.

#### Western United

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

#### NREA

Director Merlin Prior reported that there was no meeting of the NREA Board of Directors.

President Bennett recessed the meeting at 12:02 p.m. for lunch and reconvened at 12:40 p.m.

#### EXECUTIVE SESSION

It was properly moved, seconded, and carried to go into executive session to discuss confidential business information, personnel matters, and benefits, with the following in attendance: Manager Farnsworth, Attorney Williamson, and all Directors present at the meeting. It was properly moved, seconded, and carried to come out of executive session.

It was properly moved, seconded and carried to authorize the NRECA Search representative to contact five persons identified in executive session to be interviewed for the General Manager position.

#### MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

#### PUBLIC COMMENT

There was no Public Comment.

#### EMERGENCY BUSINESS

There was no emergency business.

#### ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 3:03 p.m.

---

SECRETARY

---

PRESIDENT

4810-9043-1895, v. 1