

HIGHLINE ELECTRIC ASSOCIATION  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
August 22, 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 August 22, 2019.

ROLL CALL

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

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

Manager Herman and Attorney Williamson were also present. Attorney Williamson recorded the minutes of the meeting. Director Brad Stromberger was absent.

AGENDA

The Agenda was approved as presented.

MINUTES APPROVED

The minutes of the July 18, 2019 meeting were reviewed and approved.

MANAGER'S REPORT

Manager Herman presented graphs of kWh Purchased, kWh Sold, Operating Revenue, Expenses, Operating Margins, and Cash & Investments for July 2019. Herman presented and reviewed the Ormat summary for July 2019. Aaron Sprague reported on the new RRWCD directors. Herman reported that he revised the HEA organizational chart and new hire Jim Jackson's title is Chief Financial Officer. Herman reported on the status of the Ovid building remodel. Herman reported on the potential impacts of the monarch butterfly being placed on the endangered species list. Herman reported that the bids for new carpet in the headquarters came in over budget. The kitchen remodel is finished and came in \$8-9,000 under budget. Herman asked if the Board is okay with using the savings on the kitchen remodel to cover the carpet overage. There was no objection from the Board. Herman presented the letter signed by President Bennett that was mailed to FERC in support of Tri-State's attempt to become FERC regulated.

OPERATIONS REPORT

Rance Ferguson presented the August Operations Report. He reported on storm damage. Highline sent four linemen to help Y-W with system damage from the recent storms. Ferguson reported on line crew projects. A WNCC student, and Holyoke native, will intern with Highline. The utility exemption for crane certification might be eliminated.

Ferguson presented the safety committee report. There were no accidents. Ferguson presented the outage report.

## MEMBER SERVICES REPORT

Tadius Huser presented the August Member Services Report. Huser reported on new services, rebates, meeting attendance, renewable energy and the HQ remodel.

## ENGINEERING REPORT

Alex Astley presented the August Engineering Report. He reported on the progress with the construction work plan and the environmental report. He reported on personnel. He reported on the status of the AMI tower and communications system. Highline was able to shave its peak in July using load control.

## CORPORATE SERVICES REPORT

Jim Jackson presented the August Corporate Services Report. The Cushion of Credit balance was \$568,484.94 as of 7/31/19. HEA paid \$1,737.88 in fees on \$130,589.22 worth of credit card payments in July. Jackson presented the Form 7, cash flow, and check register.

## POLICY 2-4

Manager Herman presented revised Policy 2-4a. It was properly moved, seconded, and carried to table consideration of Policy 2-4a.

## POLICY 3-1

Manager Herman presented Policy 3-1. It was properly moved, seconded, and carried that Policy 3-1 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

Herman presented a list of new members. It was properly moved, seconded, and carried that the list of new members be accepted as members of Highline.

## ESTATE CAPITAL CREDIT REFUNDS

Attorney Williamson presented proposed estate capital credit refunds. It was properly moved, seconded, and carried that the proposed capital credit refunds be approved as presented.

## RIVERVIEW SOLAR PROEJCT UPDATE

Manager Herman reported on the status of the Riverview solar project.

## KRTA

Manager Herman presented the executive summary of Highline's CFC KRTA.

#### BYLAW AMENDMENT

Manager Herman presented a proposed amendment to Article II, Section 5 of Highline's Bylaws. It was properly moved, seconded and carried to approve the amendment as presented for publication.

#### POLICY 1-23

Dennis Herman presented new Policy 1-23. It was properly moved, seconded and carried to approve Policy 1-23 as presented.

#### RUS AUTHORIZATIONS

Dennis Herman presented RUS forms 675 and 674. He presented resolutions authorizing execution of the forms and the RUS RD Apply Intake System. It was properly moved, seconded and carried to approve the resolutions as presented.

#### HOLYOKE COMMUNITY CHILDCARE INITIATIVE AND IMPERIAL COMMUNITY FUND

Manager Herman presented a request from the HCCI for building a daycare facility in Holyoke. Herman is on the HCCI fundraising committee. CoBank would match the donation if Highline donates in 2020.

Herman presented a donation request from the Imperial Community Fund.

It was properly moved, seconded and carried to donate \$1,500 each to the HCCI and the Imperial Community Fund.

#### REVOLVING LOAN FUND

Tadius Huser presented a loan request from Oak Tree Classic Woodworks, LLP. Oak Tree asked for a \$120,000 loan for three pieces of equipment. It was properly moved, seconded and carried to authorize the loan as presented by Huser. Huser presented a resolution to loan funds. It was properly moved, seconded and carried to approve the resolution.

#### TRI-STATE FERC APPLICATION

President Bennet presented a letter to FERC supporting Tri-State's application for regulation. It was properly moved, seconded and carried to authorize the electronic submission of the letter to FERC.

President Bennett recessed the meeting at 12:08 p.m. for lunch and reconvened at 1:00 p.m.

#### TRI-STATE

Director Brekel reported on his attendance at the regular meetings of the Tri-State Board of Directors and Tri-State contract committee. Brekel reported on Tri-State's financials.

Tri-State is considering joining an energy imbalance market. Tri-State settled its dispute with DMEA. DMEA will exit Tri-State in May. Brekel discussed Tri-State's filing for regulation by FERC. Tri-State received more than 40 bids in response to its RFP for 100MW of renewable generation.

Brekel reported on the Tri-State Contract Committee meeting.

#### CREA

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

#### WESTERN UNITED

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

#### NREA

Director Prior reported on his attendance at the regular meeting of the NREA Board of Directors. The Board received the initial 2020 budget. Highline's dues will decrease slightly. Manager Herman was appointed to the Resolutions Committee. Prior's term on the Policy Committee expired.

#### MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings. Director Brekel will be Highline's delegate to the NRECA Region VII meeting.

Manager Herman presented the CoBank director ballot. It was properly moved, seconded and carried to authorize Herman to cast Highline's vote.

Director Prior will be Highline's delegate to the NRECA Colorado meeting.

#### Public Comment

There was no public comment.

#### EXECUTIVE SESSION

It was properly moved, seconded and carried to go into executive session for confidential discussion regarding personnel matters with the following in attendance: All directors present at the meeting, Manager Herman and Attorney Williamson. Director Lueck left the meeting at 2:00 p.m. for a CREA phone meeting. It was properly moved, seconded, and carried to exit executive session.

#### ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 2:28 p.m.

*Maxlin R. Prior*

SECRETARY

*[Signature]*

PRESIDENT

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