

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
February 20, 2020

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 February 20, 2020.

ROLL CALL

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

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

Manager Dennis Herman and Attorney Levi Williamson were also present. Attorney Williamson recorded the minutes of the meeting.

AGENDA APPROVED

The Agenda was approved as presented.

MINUTES APPROVED

The minutes of the January 16, 2020 meeting were approved as presented.

MANAGER'S REPORT

Manager Herman presented graphs of cumulative kWh purchased and kWh sold through January 2020. Herman also presented graphs of operating revenue, expenses, operating margins, and cash & investments through January.

Aaron Sprague reported on matters at the Republican River Water Conservation District. The District continues to retire irrigated acres through various programs, including CREP and EQIP.

Herman reported on the status of the Tri-State FERC and PUC dockets. Herman requested clarification regarding signing authority for engineering services contracts. The Board confirmed that the General Manager has the authority to execute such contracts within the approved budget.

Herman reported on potential sites for EV charging stations in Highline's territory. Herman believes the HEA headquarters facility and the I-76 corridor are likely locations. Herman and staff will continue to investigate and bring proposed locations to the board.

Herman reported on negotiations between several co-ops and the U.S. Air Force regarding infrastructure upgrades for ICBM sites. Herman reported on San Isabel Electric Association's proposal for

Tri-State members to "buy in" to Tri-State by buying down Tri-State's debt.

Herman presented and reviewed the Ormat summary for January. Highline recognized savings of \$12,363.97.

OPERATIONS AND SAFETY REPORT

Rance Ferguson presented the Operations Report. He reported on switching at the Lamar substation for Tri-State's maintenance. He reported on the results of 2019-20 pole testing. Ferguson reported on linemen's attendance at digger derrick certification class and testing. He reported on area crew activity and presented the outage report.

Ferguson presented the Safety Report. There were no lost-time accidents. Ferguson reported on safety training.

MEMBER SERVICES REPORT

Tad Huser presented the Member Services Report. He reported on new services and energy efficiency rebates. He reported on attendance at community meetings and Revolving Loan Fund activity.

ENGINEERING REPORT

Alex Astley presented the Engineering Report. He reported on various engineering projects. He reported on IT activities. Astley also reported on the status of implementation of the AMI and communications systems.

CORPORATE SERVICES REPORT

The Board reviewed the Corporate Services Report as written by Jim Jackson.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Policy 1-2 Board of Directors
- b. Policy 1-4 Board of Director-Manager Relationship
- c. Policy 6-5 Net Metering
- d. Safety Committee Report
- e. New Members and Membership Refunds
- f. Subordination Agreements or Release of Liens
- g. Estate Capital Credit Refunds

The items on the Consent Agenda were approved by unanimous consent.

VEHICLE BIDS

Rance Ferguson presented bids for units 44, 38, and 21. It was properly moved, seconded and carried to accept the low bids for each unit.

DEFERRED REVENUE AMENDMENT

Manager Herman recommended amending HEA's deferred revenue plan by recognizing \$1M in 2019 instead of \$1.5M. He presented a

resolution amending the plan. It was properly moved, seconded and carried to approve the resolution as presented.

TRI-STATE

Director Brekel presented the Tri-State meeting report and reported on his attendance at the regular meeting of the Tri-State Board of Directors. He reviewed 2019 year-end financials.

President Bennett recessed the meeting at 12:06 p.m. and reconvened at 12:57 p.m.

Brekel continued his report. Brekel reported on his attendance at the Tri-State contract committee meeting. The Committee agreed on a "make whole" payment for partial buyouts. Tri-State will make 300MWh available for partial buyouts. Dennis Herman reported on his attendance at the contract committee meeting.

CREA

Jim Lueck reported on his attendance at the regular meeting of the CREA Board of Directors. Lueck reported on discussions between IREA, CREA and Tri-State regarding IREA's proposed legislation regarding the PUC's involvement in Xcel and Tri-State joining an RTO. Lueck reported on bills that would affect Highline. Lueck and Herman reported on their attendance at the CREA Annual Meeting.

NREA

Merlin Prior reported on his attendance at the regular meeting of the NREA Board of Directors. Prior reported on bills at the Nebraska legislature that would affect utilities. He reported on NREA's search for a General Manager.

WESTERN UNITED

Ted Carter reported on his attendance at the regular meeting of the Western United Board of Directors. Sales are up. Western United is implementing a new warehouse inventory management software. Western United is building a new warehouse in Utah. Western United retired \$1.4M in patronage to members.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

EXECUTIVE SESSION

It was properly moved, seconded and carried to go into executive session for confidential discussion regarding personnel matters and confidential business matters, with the following in attendance: All Directors present at the meeting, Manager Herman, Rance Ferguson, Alex Astley, Tad Huser, and attorney Williamson. Ferguson, Astley, and Huser left the meeting during the executive session. Manager Herman left the meeting during the executive session. It was properly moved, seconded and carried to come out of executive session.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 2:45 p.m.



SECRETARY



PRESIDENT

4829-2326-3412, v. 1