

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
May 21, 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 May 21, 2020.

ROLL CALL

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

Mike Bennett	Merlin Prior
Steve Oestman	Aaron Sprague
David Kinnison	Ted Carter

Directors present via video conference were:

Leo Brekel	Brad Stromberger
Jim Lueck	Merl Miller
Pam Stieb	

Manager Dennis Herman was present in person and Attorney Levi Williamson was present via video conference. Attorney Williamson recorded the minutes of the meeting.

AGENDA APPROVED

The Agenda was revised and approved as revised.

MINUTES APPROVED

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

MANAGER'S REPORT

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

Aaron Sprague reported on RRWCD matters.

Manager Herman reported on the status of the NIYOL wind project. Herman and Leo Brekel reported on the dispute between Tri-State and United Power and LaPlata Electric. The Poudre Valley Electric Manager asked Highline to join Poudre Valley in appealing the Colorado PUC's denial of the co-ops' motions to intervene in the DMEA/LPEA v. Tri-State PUC docket.

Herman reported on Covid-19 related matters. SBA recently released guidance that 501(c)(12) co-ops are eligible for the SBA's PPP loan program. Herman recommends applying for the loan. Herman reported that his mother-in-law donated hand-made masks to Highline. It was the consensus of the Board that Highline give her a gift card. Herman reported that he plans to allow employees to carryover more unused PTO time due to Covid-19.

Herman asked if the Board would like to use Dan Brewer for his performance evaluation. The Board will wait until later in the year to decide.

Herman presented Highline's Director Disclosure forms to the Board and asked that they complete and return them to him.

Herman reported that a member asked Highline to extend the annual deadline to allow him to retire a well service. The consensus of the Board was to enforce the deadline.

OPERATIONS AND SAFETY REPORT

Rance Ferguson presented the Operations Report. Metering School and Hotline School were cancelled due to Covid-19 restrictions. Three vehicles ordered by Highline will not be delivered on schedule because the plant was closed due to a Covid-19 outbreak. Ferguson reported on system storm damage and substation switching. Ferguson updated the board on the activities of the Holyoke, Sterling, and Ovid crews.

Ferguson presented the Outage Report and Safety Report. There were no lost-time accidents. Highline did not conduct any safety training due to Covid-19.

MEMBER SERVICES REPORT

Tad Huser presented the Member Services Report. He reported on new services and energy efficiency rebates.

Huser reported that the Highline representative to the 2020 D.C. youth tour will attend in 2021. One Highline representative to the 2020 leadership camp will attend in 2021. The other student will not. It was the consensus of the Board to give a scholarship to the student equal to Highline's cost to send a student to the camp. Huser reported on the status of RLF activity and the status of the Ovid remodel.

ENGINEERING REPORT

Alex Astley presented the Engineering Report. He reported on various engineering and IT projects and the status of the search for a new staff engineer. He reported on the status of the AMI communications systems. He also updated the board on the status of the Chase 69 kV line metering.

CORPORATE SERVICES REPORT

Jim Jackson presented the Corporate Services Report. Jackson reported on interest rates, CFC investments, credit card fees, and the search for a cost of service study consultant. He presented the April Form 7, cash flow, and check register.

BYLAWS

Manager Herman asked if the Board would like to consider any bylaw revisions due to the difficulties presented by the Covid-19 pandemic. The Board discussed possible revisions. The consensus of the Board was to wait and see.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. HEA Policy Review
 - i. Policy 1-11 Purchases
 - ii. Policy 3-3 Privacy and Confidentiality for Members and Information Requests
 - iii. Policy 4-1 Equity and Capital Credit Management
- b. Safety Committee Report Approval
- c. New Members and Membership Refunds
- d. Subordination Agreements or Release of Liens
- e. Estate Capital Credit Refunds

The Consent Agenda was approved by unanimous consent.

INTERSTATE SUBSTATION ENGINEERING CONSULTANT EVALUATION

Alex Astley presented bids for engineering consulting services for the upgrade of the Interstate Substation. It was properly moved, seconded and carried to accept the West Plains Engineering bid.

REVOLVING LOAN FUND

Tad Huser presented a request from Lazy Acre Beef for a \$123,078 loan. This request was tabled to later in the meeting to allow Huser to obtain additional information from the applicant.

STERLING PARKING LOT SEAL COAT

Manager Herman presented a quote from Bella Asphalt Maintenance for seal coating the Sterling facility parking lot. It was properly moved, seconded and carried to accept the quote as presented.

COST OF SERVICE STUDY

Jim Jackson presented four bids for a cost of service study. It was properly moved, seconded and carried to accept the RE Wilson bid.

President Bennett recessed the meeting at 12:06 p.m. for lunch and reconvened at 12:49 p.m.

REVOLVING LOAN FUND

Huser reported on the information obtained from Lazy Acre Beef. The Board discussed the request and the consensus was to deny the request.

BAD DEBT WRITE OFF

Jim Jackson presented the list of delinquent accounts for write-off. It was properly moved, seconded and carried to write-off the accounts as presented.

EMPLOYEE RECOGNITION

President Bennett presented a Board resolution acknowledging the employees for their work during the Covid-19 pandemic. It was

properly moved, seconded and carried to approve the resolution as presented.

RUS LOAN

Manager Herman presented RUS loan documents, including the loan contract, promissory notes, and Restated Mortgage and Security Agreement. Herman presented resolutions approving the loan. It was properly moved, seconded and carried to approve the resolutions as presented.

TRI-STATE

Director Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Sales are down. He reported on the status of the coal fired plant closings. The United Power/LPEA v. Tri-State PUC hearing is underway.

CREA

Jim Lueck reported that he was not able to attend the regular meeting of the CREA Board of Directors. Lueck reported on his attendance at the CREA legislative committee meeting. Colorado is projecting a \$3 billion shortfall in 2020. Manager Herman reported that several Colorado state legislators sent a letter to FERC opposing Tri-State's CTP methodology. Herman signed a letter with several other Tri-State member co-op representatives supporting Tri-State.

WESTERN UNITED

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

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

COVID-19 RELIEF

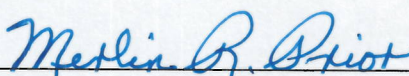
President Bennett reported on a local effort to collect donations to help businesses that have suffered due to Covid-19. The Board discussed various options for donating, including paying HEA capital credits earlier in the year. Manager Herman will investigate options for helping and report back to the Board.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 1:52 p.m.



SECRETARY



PRESIDENT