

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
July 23, 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 July 23, 2020.

ROLL CALL

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

Mike Bennett	Merlin Prior
Steve Oestman	Aaron Sprague
Ted Carter	Merl Miller
Pam Stieb	Brad Stromberger

Directors present via video conference were:

Jim Lueck	Leo Brekel
David Kinnison	

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

AGENDA APPROVED

The Agenda was revised and approved as revised.

MINUTES APPROVED

The minutes of the June 18, 2020 meeting were approved as presented.

MANAGER'S REPORT

Manager Herman presented graphs of cumulative kWh purchased and kWh sold through June 2020. Herman also presented graphs of operating revenue, expenses, operating margins, and cash & investments through June. Herman reported that the PUC opened an investigatory docket into retail rates. Highline responded to the PUC's rate survey request. Herman reported that Highline is likely within a few weeks of being able to advance funds on the RUS loan. Herman reported that NRECA has gotten bipartisan legislation introduced in both the House and Senate that would allow Highline to refinance all FFB debt at current rates. Herman reported on the enactment of SB-205, which requires sick leave accrual for part time employees of 1 hour for every 30 worked. Herman reported on his plan to continue to support the CARE Auction with Y-W. Herman reported on Highline's COVID donations, including \$1,000 each to the United Church of Crook's food pantry and the Cooperating Ministry of Logan County. Highline will receive matching funds from Basin for several of its donations. Herman reported on Highline's continued COVID response, including the use of masks for movement about the building.

Attorney Williamson entered the meeting via video conference. He reported that the Administrative Law Judge issued a recommended

decision, endorsing the contract termination payment methodology proposed by United Power. Herman reported that the methodology results in \$258 million and \$78 million contract termination payments for United Power and La Plata, respectively. Williamson discussed the history of Highline's participation in the matter up to this point, mentioning that Highline could file an exception to the decision

It was properly moved, seconded, and carried to go into executive session to receive privileged legal advice regarding litigation matters, with the following in attendance: All directors present at the meeting, Manager Dennis Herman, Attorney Levi Williamson and Attorney Bryson Fredregill. It was properly moved, seconded, and carried to exit executive session.

It was properly moved, seconded, and carried to authorize Manager Herman to spend up to \$50,000.00 to retain counsel to monitor and represent Highline's interests in pending Tri-State G&T FERC matters.

It was properly moved, seconded, and carried to authorize Manager Herman and Attorney Williamson to file an exception to Recommended Decision No. R20-0502 in the United and La Plata PUC matters (19F-0620E and 19F-0621E).

Attorney Williamson exited the meeting

OPERATIONS AND SAFETY REPORT

Rance Ferguson presented the Operations Report. He reported on system damage from the storms and fires. He reported on the status of new truck deliveries. 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.

MEMBER SERVICES REPORT

Tad Huser presented the Member Services Report. He reported on new services and energy efficiency rebates. He discussed the status of member outreach, revolving loan fund activity, the Ovid facility remodel, and electric vehicle charging station.

ENGINEERING REPORT

Dennis Herman presented the Engineering Report. He reported that there will be an uptick in AMI activity as installation in Lonestar and Haxtun will begin soon. He reported on the successful implementation of load control this summer.

CORPORATE SERVICES REPORT

Jim Jackson presented the Corporate Services Report. Jackson reported on interest rates, CFC investments, and credit card fees. He presented the May Form 7, cash flow, and check register. He reported on the PPP loan expenditures and balance.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. HEA Policy Review
 - i. Policy 1-6 Board Committees
 - ii. Policy 1-13 Memberships and Organizations
 - iii. Policy 3-2 Consumer Services Inquiries
- 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 revised with the removal of Policy 3-2 and a member estate refund for separate consideration. The Consent Agenda as revised was approved by unanimous consent.

POLICY 3-2 CONSUMER SERVICES INQUIRIES

The board reviewed the policy and struck the following language from paragraph 3: "(ie: available on computer records), all other account information that requires archival research shall be charged \$10.00 per account per year researched." It was properly moved, seconded, and carried to approve Policy 3-2 as revised.

ESTATE REFUND

Attorney Fredregill recommended additional due diligence prior to processing the presented estate. It was properly moved, seconded, and carried to approve the presented estate refund pending final legal review.

TRI-STATE POLICY 119

Herman gave a presentation on a potential Tri-State Policy 119 community solar project. Herman's preference would be to participate in the project through a PPA as opposed to owning and operating the project. He presented possible locations in the Lamar area, including sites near the Champion and Amitie Substations. The board discussed the benefits of each location. It was properly moved, seconded, and carried to authorize Herman to negotiate the purchase of 20 to 40 acres near the Amitie Substation for an amount of up to \$1,500.00 per acre with up to \$2,500.00 in earnest money for a community solar project.

President Bennett recessed the meeting at 12:15 p.m. for lunch and reconvened at 1:03 p.m.

TRI-STATE ANNUAL MEETING

Herman reported on the status of the Tri-State Annual Meeting. It was properly moved, seconded, and carried to appoint Leo Brekel as Highline's delegate to the Tri-State Annual meeting.

CFC SPECIAL MEMBERSHIP MEETING

Herman presented a memorandum regarding a CFC Special Membership Meeting to Consider Bylaw Amendments. It was properly moved, seconded, and carried to appoint Dennis Herman as the voting delegate for Highline at CFC Special Membership Meeting.

COBANK MID-PLAINS DIRECTOR ELECTION

The board discussed the candidates for the CoBank Mid-Plains Director Election. It was properly moved, seconded, and carried to vote for Jason Bransil to fill the CoBank Mid-Plains director seat.

TRI-STATE

Director Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Staff is preparing the 2021 budget. The Craig #2 coal power plant will be retired in September of 2028. Tri-State is currently undergoing staff reorganization.

CREA

Jim Lueck reported on his attendance at the regular meeting of the CREA Board of Directors. He provided a legislative update and specifically discussed HB 20-1450 regarding whistleblower protections related to COVID-19.

WESTERN UNITED

Ted Carter reported that the Western United Bylaw Committee will meet on August 12.

NREA

Merlin Prior reported that NREA hired Dennis Houston as its new General Manager. He also reported on the introduction of a new bill (LB923), which aims to fix an oversight in a prior bill that resulted in co-ops technically being subject to sales tax.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

EXECUTIVE SESSION

There was no need for additional executive session.

PUBLIC COMMENT

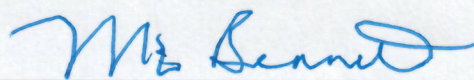
There was no public comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 1:25 p.m.



SECRETARY



PRESIDENT