

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

ROLL CALL

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

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

Directors present via video conference were:

Ted Carter
David Kinnison

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

AGENDA APPROVED

The Agenda was revised and approved as revised.

MINUTES APPROVED

The minutes of the July 23, 2020 meeting were approved as presented.

NREA GENERAL MANAGER PRESENTATION

New NREA General Manager Dennis Houston gave a presentation to the Board.

TRI-STATE G&T GENERAL MANAGER PRESENTATION

Tri-State G&T General Manager Duane Highley gave a presentation to the Board. The cost of power on the wholesale market is \$1,300-3,000 per MWH, compared to a normal price of \$20-30 per MWH. The price increase is due to California's energy shortage. Highley reported on Tri-State's dispute with United Power and LPEA regarding Tri-State's buy-out fee. Tri-State testified at the PUC that the absolute minimum Tri-State could accept as a buyout from United Power is \$750 million. This represents Tri-State's calculation of United Power's share of debt. According to Highley, if United Power paid less than \$750 million to exit Tri-State it would put Tri-State in default with its lenders.

Highley and Houston left the meeting.

President Bennett recessed the meeting at 12:04 p.m. for lunch and reconvened the meeting at 12:52 p.m.

MANAGER'S REPORT

Manager Herman presented graphs of cumulative kWh purchased and kWh sold through July 2020. Herman also presented graphs of operating revenue, expenses, operating margins, and cash & investments through July. He presented the Ormat summary for July. Highline recognized savings of \$27,458.79 in July and \$38,397.67 Y-T-D.

Aaron Sprague reported on issues at the RRWCD.

Herman reported that Highline received final approval of its RUS/FFB loan. Highline's intervention in the Tri-State FERC docket was granted. Highline will partner with Y-WEA to donate an item to the CARE auction. Highline's medical benefits cost will not increase in 2021. Highline's retirement benefits cost will increase.

OPERATIONS AND SAFETY REPORT

Rance Ferguson presented the Operations Report. He reported on system damage from the storms. He reported on the results of the Federated inspection. 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 reported on member outreach regarding the Colorado PUC.

He discussed the status of revolving loan fund activity, the Ovid facility remodel, and electric vehicle charging station.

ENGINEERING REPORT

Alex Astley presented the Engineering Report. He reported on issues at the Riverview Solar array. He reported on load control, AMI implementation, and the new phone system.

CORPORATE SERVICES REPORT

Jim Jackson presented the Corporate Services Report. Jackson reported on interest rates, CFC investments, and credit card fees. He presented the July 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 1-15 Air Travel
 - ii. Policy 1-16 Medical Insurance
 - iii. Policy 1-21 Voting & Elections
- 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 1-21 for separate consideration. The Consent Agenda as revised was approved by unanimous consent.

TRI-STATE POLICY 119

Herman reported on the status of his work on a community solar project under Tri-State's Policy 119. Herman will develop an RFP for a 2MW project.

TRI-STATE EV LOANER

Tad Huser presented documentation to participate in Tri-State's EV loaner program. It was properly moved, seconded, and carried to approve the agreement with Tri-State and to authorize participation in the program.

NRECA VOTING DELEGATE

Jim Lueck will be Highline's NRECA voting delegate and Leo Brekel will be the alternate.

Merl Miller left the meeting at 2:00 p.m.

TRI-STATE

Director Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Tri-State has six new board members. The Tri-State Board is considering a change to director compensation. Basin is considering adding a new member from Wyoming.

CREA

Jim Lueck reported that there was no regular meeting of the CREA Board of Directors. He provided an update on 2020 ballot initiatives.

WESTERN UNITED

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

NREA

Merlin Prior reported on his attendance at the regular meeting of the NREA Board of Directors. Directors attended the meeting remotely via video conference. Prior reported on the Policy & Resolutions Committee meeting. NREA has proposed a change that would require Highline to pay a fee for regulatory compliance. The recommendation will be considered as a bylaw amendment at the annual meeting. Highline's 2021 dues will remain the same as 2020. Prior reported on the 2021 budget.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

Leo Brekel reported on his attendance at a meeting with Colorado state legislator Richard Holtorf.

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 3:30 p.m.



SECRETARY



PRESIDENT