

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
May 21, 2019

A regular meeting of the Board of Directors of Highline Electric Association was held at the Phillips County Event Center in Holyoke, Colorado at 1:25 p.m. on May 21, 2019.

ROLL CALL

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

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

NRECA Executive Search consultant Dan Brewer was also present.

AGENDA

The Agenda was approved as presented.

Executive Session

It was properly moved, seconded, and carried to go into executive session for confidential interview of a GM candidate, with the following in attendance: All directors present at the meeting, Dan Brewer and the GM candidate. It was properly moved, seconded and carried to come out of executive session.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 4:35 p.m.



SECRETARY



PRESIDENT

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

A regular meeting of the Board of Directors of Highline Electric Association was held at the Phillips County Event Center in Holyoke, Colorado at 8:15 a.m. on May 22, 2019.

ROLL CALL

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

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

NRECA Executive Search consultant Dan Brewer was also present.

AGENDA

The Agenda was approved as presented.

Executive Session



It was properly moved, seconded, and carried to go into executive session for confidential interview of a GM candidate, with the following in attendance: All directors present at the meeting, Dan Brewer and the GM candidate. It was properly moved, seconded and carried to come out of executive session.

President Bennett recessed the meeting at 11:30 a.m. for lunch and reconvened the meeting at 12:45 p.m.

It was properly moved, seconded, and carried to go into executive session for confidential interview of a GM candidate, with the following in attendance: All directors present at the meeting, Dan Brewer and the GM candidate. It was properly moved, seconded and carried to come out of executive session.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 4:15 p.m.


SECRETARY

PRESIDENT

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
May 23, 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 May 23, 2019.

ROLL CALL

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

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

Manager Farnsworth and Attorney Williamson were also present. Attorney Williamson recorded the minutes of the meeting.

AGENDA

The Agenda was approved as presented.

MINUTES APPROVED

The minutes of the April 18, 2019 meeting were revised to reflect the correct date of the meeting and were approved as revised.

MANAGER'S REPORT

Manager Farnsworth presented graphs of kWh Purchased, kWh Sold, Operating Revenue, Expenses, Operating Margins, Cash and Investments through April 2019. Farnsworth presented and reviewed the Ormat summary for April 2019. Highline has recognized savings of \$4,021.92 Y-T-D. Director Sprague reported on RRWCD matters. The District purchased Hutton's water rights as part of a settlement of the Hutton lawsuit. Farnsworth reported that Xcel proposed a rate at the PUC that Xcel claims will alleviate the demand charge on EV charging stations.

OPERATIONS REPORT

Rance Ferguson presented the May Operations Report. Ferguson reported on employees' attendance at Mesa Hotline School. He reported on storm outages and damage to the system. He reported on a WAPA outage due to a circuit switch being out of SF6 gas. Ferguson reported on line crew projects.

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

MEMBER SERVICES REPORT

Tadius Huser presented the May Member Services Report. He reported on new services, rebates, net-metering activity, and RESP loan activity.

CORPORATE SERVICES REPORT

Dennis Herman presented the May Corporate Services Report. The Cushion of Credit balance was \$5,353,057.29 as of 4/30/19. Highline had \$3,000,000 in CFC investments as of 5/15/19. Highline paid \$1,730.64 in fees on \$163,072.93 worth of credit card payments in April. Herman presented the Form 7, cash flow, and check register.

ENGINEERING REPORT

Dennis Herman presented the May Engineering Report. He reported on the status of the AMI project and load control.

POLICY 2-7

Manager Farnsworth presented Policy 2-7. It was properly moved, seconded and carried to approve Policy 2-7 as presented.

POLICY 2-5

Manager Farnsworth presented Policy 2-5. It was properly moved, seconded and carried to approve Policy 2-5 as presented.

POLICY 3-3

Manager Farnsworth presented Policy 3-3. It was properly moved, seconded and carried to approve Policy 3-3 as presented.

POLICY 6-1

Manager Farnsworth presented Policy 6-1. It was properly moved, seconded and carried to approve Policy 6-1 as presented.

SAFETY COMMITTEE REPORT

It was properly moved, seconded, and carried that the Safety Committee Report be approved as presented.

APPROVE NEW MEMBERS

It was properly moved, seconded, and carried that the list of new members listed below be accepted as members of Highline.

Bergner, Ohlee	Cavarra, Jennifer
Crowder, Rob	Entzi, Jerrold
Estate of Russell D. Schilke	Hadeen Partnership
Heermann, L & J Revoc Trust	Hesselrode, William
Horton, April	Kurtzer, Ryan
Maxwell, Shannon	McCrum, James
Nordyke, Claudia	Remmich, Ryan & Janelle
Sporhase, Garrett	Wilson, Heather

SUBORDINATION AGREEMENTS CONTRACTS AND RELEASE OF LIENS

It was properly moved, seconded, and carried that the following Subordination Agreements, Contracts, and Releases be approved:

Contract & Lien Releases

Doris G. Fehring
Kenneth H. Kunnemann

Merrill Goddard - 2
Catherine L. Goddard - 4
Aaron C. Worley & Pamela K. Worley - 3
Haynes Cattle Company

ESTATE CAPITAL CREDIT REFUNDS

It was properly moved, seconded, and carried that the following capital credit refunds be approved:

Vern Corman	\$ 2,135.46
Dorothy Marquardt	281.43
Rood Menter	1,323.13
Russell Schilke	2,219.29
Rachel Schuppe	5,631.26
E.C. Smith	4,657.29

RIVERVIEW SOLAR

Dennis Herman reported on the changes to the solar PPA proposed by Pivot. The changes would reduce the savings that HEA would recognize under the PPA. Pivot is also asking to extend the PPA to 35 years. Herman presented analysis of a CoBank funded solar project. The CoBank project would require the formation of a subsidiary of Highline, with the subsidiary building the solar array and selling it to CoBank, and then leasing it back. The subsidiary would then sell the output to Highline Electric. The CoBank project projects to save Highline significantly more than the Pivot project over the life of the project.

It was properly moved, seconded and carried to authorize staff to implement the CoBank solar project.

Attorney Williamson presented a resolution adopting the operating agreement of Highline Services, LLC and appointing General Manager Mark Farnsworth as Manager of Highline Services, LLC. It was properly moved, seconded and carried to approve the resolution as presented.

Attorney Williamson explained the potential conflicts of interest that could arise if he represents both Highline Electric and Highline services.

Attorney Williamson presented a consent to conflict of interest to be executed by Highline Electric Association. It was properly moved, seconded and carried to approve the consent and to authorize President Bennett to execute the consent on behalf of Highline Electric Association.

Attorney Williamson presented a consent to conflict of interest to be executed by Highline Services, LLC. It was properly moved, seconded and carried to approve the consent and to authorize President Bennett to execute the consent on behalf of Highline Electric Association as the sole-member of Highline Services, LLC.

OVID OFFICE

General Manager Farnsworth and Tadius Huser reported on the options for the Ovid office buildings. Discussion followed. It was properly moved, seconded and carried to authorize Farnsworth to hire RL Design to give HEA bid estimates for the three options presented by Farnsworth and Huser.

RLF LOAN

Tadius Huser presented an RLF loan request from Stan and Kate Lindstadt for an event center in Sterling. Discussion followed. It was properly moved, seconded and carried to approve a loan of \$240,000.00 to the Lindstadt's, contingent on HEA obtaining a first position lien on the event center and personal guarantees from the Lindstadts.

Huser presented an RLF loan application from Big B's Bar & Grill. Discussion followed. It was properly moved, seconded and carried to decline the application.

BAD DEBT WRITE-OFF

Dennis Herman presented a proposed list of bad debts to be written off. It was properly moved, seconded and carried to write-off \$20,548.70 as presented.

President Bennett recessed the meeting for lunch at 12:15 p.m. and reconvened at 12:58 p.m.

TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Guzman Energy approached Tri-State, through several of its members, to purchase Tri-State's coal assets and sell energy to Tri-State. The Tri-State Board declined a request from a New Mexico member system for a load retention rate for irrigation accounts. Brekel reported on the education session regarding asset and liability management.

BASIN

Leo Brekel reported on the presentation received by the Basin Electric board regarding recent legislation.

CREA

Jim Lueck reported on his attendance at the regular meeting of the CREA Board of Directors. He reviewed legislation from the 2019 session. The FMLI bill failed. The co-op broadband easement bill passed.

WESTERN UNITED ELECTRIC

Ted Carter reported on his attendance at the regular meeting of the Western United Board of Directors. Revenues are up. The new CEO is changing some operational procedures.

NREA

Merlin Prior reported on his attendance at the quarterly meeting of the NREA Board of Directors. NREA will have a 2.5% increase in its 2020 budget. 2019 was a quiet legislative session in Nebraska.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.


Executive Session

It was properly moved, seconded, and carried to go into executive session for discussion regarding the GM search, with the following in attendance: All directors present at the meeting and Attorney Williamson. It was properly moved, seconded and carried to come out of executive session.


It was properly moved, seconded and carried to authorize President Bennett to offer the General Manager position to Dennis Herman on the terms discussed in executive session.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 2:40 p.m.



SECRETARY



PRESIDENT