

HIGHLINE ELECTRIC ASSOCIATION  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
April 15, 2021

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 April 15, 2021.

ROLL CALL

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

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

Directors present by video conference were:

Jim Lueck	Merl Miller
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Manager Dennis Herman and Attorney Bryson Fredregill were present in person. Staff members Alex Astley, Tadius Huser, Jim Jackson, and Rance Ferguson were also present via videoconference and presented reports in person. Attorney Fredregill recorded the minutes of the meeting.

AGENDA APPROVED

Manager Herman noted that officer elections were not included in the version of the Agenda posted ten days in advance of the meeting. Herman noted revisions to the March minutes, and Attorney Fredregill requested removal of an estate refund from the consent agenda for separate consideration. The Agenda was approved as revised.

ELECTION OF OFFICERS

It was properly moved, seconded, and carried to appoint Mike Bennett as President.

It was properly moved, seconded, and carried to appoint Jim Lueck as Vice President.

It was properly moved, seconded, and carried to appoint Merlin Prior as Secretary.

It was properly moved, seconded, and carried to appoint Merl Miller as Treasurer.

MINUTES APPROVED

The minutes of the March 18, 2021 meeting were revised and approved as revised.

The minutes of the March 31, 2021 Special meeting were approved as presented.

MANAGER'S REPORT

Manager Herman presented the Manager's Report. He presented graphs of kWh Purchased, kWh Sold, Expenses, and Operating Margins through

March 2021. Herman discussed variances from budget. Herman also presented the Cash & Investments and CAMU Rate Survey.

Director Sprague provided an update on water issues within the Republican River basin.

Manager Herman updated the board on the status of Tri-State's Electric Resource Plan before the PUC and Tri-State's proposed contract termination payment before FERC. Herman notified the board of the upcoming CFC Summit. Herman reported that the CREA managers recently expressed to the Governor's Energy Office the concerns underlying the decision of a number of electric co-ops not to respond to a GEO survey response request. The GEO will be working with CREA to Address the concerns.

Herman presented a donation request for the Haxtun Pool. Herman reported on modifications to Highline's annual donation program designed to meet the criteria for Basin's matching donation program. The modifications result in a doubling of the donations to fire departments within the HEA service territory. Herman also reported on the CFC Benefits of Ownership Report and Highline scholarships.

Herman reported that the Tri-State managers approved a resolution designed to encourage NRECA to focus lobbying efforts on addressing stranded coal assets. A formal resolution will be forthcoming.

Herman reported on the retirement of Jerry Banaka and presented a proposed response from Highline. It was properly moved, seconded, and carried to approve the response as presented.

Herman reported on his research into the interplay between the irrigation rate and the net metering tariff. Herman has considered converting the annual irrigation rate to a monthly rate, but this presents some challenges with the declining block rate structure. Herman would like to have a rate consultant consider the issue and provide options. The board consented to engagement of a rate consultant.

#### OPERATIONS REPORT

Rance Ferguson presented the April Operations Report. He reported on personnel matters, contractor work, substation switching, and Highline Crew activities.

Ferguson presented the Safety Committee Report and reported on safety training. While there were no accidents through the date of the report, Ferguson reported on one accident that occurred subsequent to the report. Ferguson also presented the outage report.

#### MEMBER SERVICES REPORT

Tadius Huser presented the April Member Services Report. He reported on new services, rebates, member solar projects, Revolving Loan Fund loans, and the 2021 Virtual Annual Report.

#### ENGINEERING REPORT

Alex Astley presented the April Engineering Report. He updated the board on engineering, IT, metering, staking, and communications activities. Astley provided status updates on the

AMI Towers, Interstate Substation Upgrades, and phone system testing. Astley presented photographs of new installations.

#### CORPORATE SERVICES REPORT

Jim Jackson presented the March Corporate Services Report. Jackson presented interest rates and CFC Commercial Paper Investments as of March 31, 2021. Highline had a total deferred revenue balance of \$2,400,000.00 as of March 31, 2021. Highline paid \$2,749.26 in fees on \$233,895.41 worth of credit card payments in March. Jackson presented the Form 7, cash flow, and check register.

#### CONSENT AGENDA

The Consent Agenda contained the following items:

- a. HEA Policy Review
  - Policy 3-8 Refund Policy (revised)
  - Policy 8-1 Preferred Conductor Types and Sizes (revised)
  - Policy 8-2 Preferred Distribution Transformer Types and Sizes (revised)
- b. Safety Committee Report
- c. New Members and Membership Refunds
- d. Subordination Agreements or Release of Liens
- e. Estate Capital Credit Refunds

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

#### ESTATE REFUND

Attorney Fredregill presented an estate refund and recommended staff secure additional documentation from the applicant prior to processing. Attorney Fredregill recommended approval of the estate refund pending final legal review. It was properly moved, seconded, and carried to approve the presented estate refund pending final legal review.

#### POLICY 3-6 USE OF COMMUNITY ROOM

Manager Herman presented revised Policy 3-6 Use of Community Room. It was properly moved, seconded, and carried to approve the policy as presented.

#### NEBRASKA HAZARD MITIGATION PLAN

Manager Herman presented an annex to the Nebraska Hazard Mitigation Plan and a resolution adopting the Nebraska Hazard Mitigation Plan. With adoption of the plan, Highline could be eligible for project funding under FEMA's Building Resilient Infrastructure and Communities grant program. It was properly moved, seconded, and carried to approve the resolution as presented.

#### 2020 AUDIT DISCUSSION AND APPROVAL

Manager Herman presented the 2020 audit, which was unqualified. Herman explained a few adjustments that arose from the audit process. It was properly moved, seconded, and carried to approve the audit as presented.

#### 2021 CAPITAL CREDIT ALLOCATION

Herman presented the recommended 2021 capital credit allocation. Staff recommends allocating 2019 and 2020 G&T capital credits in

the amounts of \$1,351,127.00 and \$863,238.00, respectively. Staff also recommends allocating \$304,315.62 of Highline capital credits for 2020. It was properly moved, seconded, and carried to approve the recommended capital credit allocation as presented.

#### 2022 ANNUAL MEETING DATE AND RECORD DATE

Manager Herman presented a proposed 2022 Annual Meeting Date of March 29, 2022 and a proposed Record Date of February 29, 2022. It was properly moved, seconded, and carried to approve the 2022 Annual Meeting Date and Record Dates as presented.

#### MEMBER ORGANIZATION DELEGATE ELECTIONS

It was properly moved, seconded, and carried to appoint the following delegates and alternates to the designated organizations below:

Tri-State G&T Delegate: Leo Brekel  
Western United: Ted Carter, delegate; Jim Lueck, alternate  
CREA: Jim Lueck, delegate; Ted Carter, alternate  
NREA: Merlin Prior, delegate; Merl Miller, alternate

#### TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Brekel reported on the commencement of the Western Energy Imbalance Market. He also reported on a Public Service Company of Colorado proposed transmission line designed to access renewable resources in eastern Colorado. Brekel reported that Tri-State fared relatively well during the February extreme weather event. Tri-State's net margins year-to-date are approximately \$19 million, which is below budgeted margins. Tri-State may consider utilizing deferred revenue in the near future.

#### EXECUTIVE SESSION

It was properly moved, seconded, and carried to go into executive session to discuss a confidential business opportunity, confidential power supply matters, and Revolving Loan Fund loans with the following in attendance: All Directors and staff present in-person and remotely at the meeting; Manager Herman; and Attorney Fredregill. It was properly moved, seconded, and carried to come out of executive session.

President Bennett recessed the meeting at 12:05 p.m. and reconvened at 1:00 p.m.

#### CREA

Jim Lueck reported on his attendance at the regular meeting of the CREA Board of Directors. He reported on proposed legislation under consideration. The wildfire bill has been postponed.

#### WESTERN UNITED

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

#### STRATEGIC PLANNING

Manager Herman sought feedback on the recent strategic planning meeting.

ANNUAL UPDATE

Manager Herman sought feedback on the Virtual Annual Update.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

PUBLIC COMMENT

There was no Public Comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 1:35 p.m.



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PRESIDENT



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SECRETARY

Highline Electric Association  
Board Resolution

WHEREAS, the Federal Disaster Mitigation Act of 2000 was signed into law on October 30, 2000 placing new emphasis on state and local mitigation planning for natural hazards and requiring state and local governments to adopt a hazard mitigation plan in order to be eligible for pre-disaster and post-disaster federal funding for mitigation purposes, and;

WHEREAS, the Board of Directors recognizes that no rural utility is immune from natural hazards whether it be tornado/severe thunderstorm, flood, severe winter weather, drought, heat wave, or wildfire and recognizes the importance of enhancing its ability to withstand natural hazards as well as the importance of reducing human suffering, property damage, interruption of public services and economic losses caused by those hazards, and;

WHEREAS, the efforts of the Nebraska Emergency Management Agency have led to the development of a 2021 Nebraska State Hazard Mitigation Plan, with Annex developed by Highline Electric Association staff, and;

WHEREAS, NEMA recommends documentation that the Plan has been formally adopted by the governing body of Highline Electric Association in the form of a resolution and further requesting approval of the Plan at the Federal Level and updated every five years corresponding with the State of Nebraska Hazard Mitigation Plan updates, and;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Highline Electric Association does hereby adopt the "2021 Nebraska State Hazard Mitigation Plan" in its entirety and resolves to execute the actions in the Plan.

CERTIFICATE OF SECRETARY

I, Merlin R. Prior, certify that I am Secretary of the Highline Electric Association, Board of Directors and that the above and foregoing is a true excerpt from the minutes of a regular board meeting held on the 15th day of April 2021, at which a quorum was present and that the above portion of the minutes have not been rescinded or modified.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of Highline Electric Association this 15th day of April 2021.



  
Merlin R. Prior, Secretary