

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
March 18, 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 March 18, 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	Jim Lueck
Merl Miller	Leo Brekel

Directors present by video conference were:

Pam Stieb

Manager Dennis Herman was present in person and Attorney Bryson Fredregill was present via videoconference. 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

The Agenda was revised with the removal of Rules and Regulations, Policy 1-5, and a single estate refund from the Consent Agenda for separate consideration. A request to disclose legal representation was also added to Executive Session. The Agenda was approved as revised.

MINUTES APPROVED

The minutes of the February 18, 2021 meeting were approved as presented.

MANAGER'S REPORT

Manager Herman presented the Manager's report. He presented graphs of kWh Purchased, kWh Sold, Expenses, Operating Margins, and Cash & Investments through February 2021. Manager Herman updated the board on the status of Tri-State's Electric Resource Plan before the PUC and the Tri-State stated rate proceeding before FERC.

Manager Herman reported that the operating margin for 2020 is negative in the amount of \$926.00 after audit adjustments. The margin accounts for the deferral of \$1.7 million in revenue from 2020. Because Highline is easily meeting all of its lending covenants, Herman recommended retaining the previously approved deferred revenue plan for the flexibility it offers. The board consented to Herman's recommendation.

The Governor's Energy Office has requested Highline's response to a voluntary resource mix survey. Herman recommended not responding, which is in alignment with the approach taken by a majority of electric co-ops in Colorado. Manager Herman also updated the board on the status of Highline's COVID response, PPP loan, and director election. It was properly moved, seconded, and

carried to delegate appointment of the election Credentialing Committee to President Bennett and Manager Herman.

Herman also reported on the upcoming NREA and Highline strategic planning sessions. Herman discussed the large Fuel Cost Adjustment faced by cooperatives purchasing wholesale power from Xcel as a result of the extreme weather in mid-February. Herman updated the board on operations during and after the recent winter storm.

Herman presented a proposal to continue to participate in Tri-State and CoBank programs to match donations to local community organizations. It was properly moved, seconded, and carried to authorize Highline's continued participation in said programs.

CORPORATE SERVICES REPORT

Jim Jackson presented the March Corporate Services Report. Jackson reported on CFC Commercial Paper and Select Note Investments as of February 28, 2021. Highline had a deferred revenue balance of \$700,000.00 as of February 28, 2021. Highline paid \$2,398.98 in fees on \$202,880.99 worth of credit card payments in February. Jackson presented the Form 7, cash flow, and check register. Jackson noted that Highline's equity currently sits at 45%. Jackson discussed the process of completing the IRS Form 990 and the definition of key employee. Directors completed 990 questionnaires for 2020.

OPERATIONS REPORT

Rance Ferguson presented the March Operations Report. He reported on the status of contractor work. He reported on WAPA Emergency work, system damage caused by the cold weather, and line crew activity.

Ferguson presented the Safety Committee Report and reported on safety training. There was one accident, which was previously discussed at the January regular meeting of the board of directors. Ferguson presented the outage report.

MEMBER SERVICES REPORT

Tadius Huser presented the March Member Services Report. He reported that new services are up 100% over last year. He also reported on rebates, member solar projects, and Revolving Loan Fund loans. Highline offered 2021 DC Tour and Youth Leadership Camp awardees the opportunity to attend in 2022 due to the 2021 camp being cancelled. All awardees accepted. Huser updated the board on 2021 director election notices.

ENGINEERING REPORT

Alex Astley presented the March Engineering Report. He updated the board on meter programming, billing review, O&M review for RUS, and bushing tests. He also reported on 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.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. HEA Policy Review

Policy 2-1 Employment (presented with no recommended changes)

- 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 1-5 CHECK SIGNING

Manager Herman presented a revised Policy 1-5. Herman explained the revisions designed to clarify General Manager signing authority. It was properly moved, seconded, and carried to approve Policy 1-5 as presented.

RULES AND REGULATIONS

Manager Herman presented the revised Rules and Regulations. The board discussed the revisions to Part VII. It was properly moved, seconded, and carried to approve the Rules and Regulations as presented.

EV CHARGING RATE

Herman presented the revised EV charging rate. The revised rate is designed to recover the costs arising from transaction fees. It was properly moved, seconded, and carried to approve the rate as presented.

RLF INQUIRY

Manager Herman reported the party inquiring into RLF Funding availability has since withdrawn its inquiry.

PEDAL THE PLAINS

Manager Herman reported on a sponsorship request from Pedal the Plains and Ride the Rockies. It was properly moved, seconded, and carried to sponsor Pedal the Plains and Ride the Rockies in the amount of \$750.00.

WEST PLAINS FENCE

Manager Herman and Rance Ferguson presented a proposal and bids for the rebuild of the West Plains Substation fence. It was properly moved, seconded, and carried to select the low bid from CGI Fence Installation at \$11,851.69.

TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. January financials were below budget because of the warm weather. Tri-State's generation

resources held up well during the severe weather in February. The Tri-State Board discussed Policy 125, which was approved for submission to FERC. Seven Tri-State members filed simultaneously with FERC for buyout numbers. Tri-State received a clean audit from Ernst & Young. Brekel also reported on Tri-State's Form 10-K filing, amendments to the retirement plans, the FERC 204 filing, and proposed policy 317 regarding interlocking directors.

CREA

Jim Lueck reported on his attendance at the regular meeting of the CREA Board of Directors. He reported on proposed revisions to the HB21-1131 regarding wildfire mitigation. He also reported on HB21-1095 regarding locates. Lueck also discussed information regarding the hidden costs of renewables.

WESTERN UNITED

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

EXECUTIVE SESSION

It was properly moved, seconded, and carried to go into executive session to discuss personnel, a confidential business opportunity, confidential power supply matters, and a request from legal counsel to disclose representation, with the following in attendance: All Directors present at the meeting, Manager Herman, and Attorney Fredregill. It was properly moved, seconded, and carried to come out of executive session.

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 12:23 p.m.



SECRETARY



PRESIDENT