

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
January 20, 2022

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 January 20, 2022.

ROLL CALL

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

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

Directors present via video conference were:

Brad Stromberger David Kinnison

Manager Dennis Herman and Attorney Levi Williamson were present in person. Staff members Jim Jackson, Rance Ferguson, Alex Astley and Tadius Huser were present in person. Attorney Levi Williamson recorded the minutes of the meeting.

AGENDA APPROVED

The agenda was approved as presented.

MINUTES APPROVED

The minutes of the December 16, 2021 meeting were approved as presented.

The minutes of the December 28, 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, Operating Revenue, Expenses, Operating Margins, and Cash & Investments through December 2021.

Herman presented the Ormat Report, which indicated savings of \$43,998.46 in 2021. Herman reported on the status of the Tri-State ERP docket at the Colorado PUC. The NREA executive committee will attend the February Highline Board of Directors meeting. Herman reported on the status of the Haxtun Hospital District's REDL&G application. Herman reported that he plans to close the Holyoke office on Fridays while the employees are working 4/10's. Director Prior reported that members have complained to him about delays in receiving bills caused by the postal service.

It was properly moved, seconded, and carried to hold the March meeting of the board of directors on March 18, 2022 at 9:00 a.m.

Herman reported that approximately \$49,000.00 remains of the \$50,000 budget approved by the board for participation in Tri-State FERC dockets. Herman confirmed that he will continue to participate in the FERC dockets within the budgeted amount.

Tri-State will offer another "open season" for participation in Tri-State's partial buy-down program. Herman will investigate buy-down opportunities and report back to the board.

Herman reported on cybersecurity vulnerabilities and Highline's mitigation efforts. Highline is discussing potential partnerships with Tri-State regarding cybersecurity.

It was properly moved, seconded, and carried to go into executive session for consideration of a confidential business opportunity, with the following in attendance: All directors and staff present at the meeting, General Manager Herman and Attorney Williamson. It was properly moved, seconded, and carried to exit executive session.

It was properly moved, seconded, and carried to authorize General Manager Herman to negotiate with EZ Blockchain on terms discussed in executive session.

OPERATIONS AND SAFETY REPORT

Rance Ferguson presented the Operations and Safety Report. He reported on system damage from the January 4, 2022 windstorm. He reported on pole testing results, equipment testing, and line crew projects.

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

MEMBER SERVICES REPORT

Tadius Huser presented the Member Services Report. He reported on new services, rebates, net-metering, RLF activity, and the EV charging station.

ENGINEERING REPORT

Alex Astley presented the Engineering Report. Astley reported on engineering, IT, metering, staking, and communications projects. He reported on the status of the Sterling-West Plains transmission line, Atwood substation upgrade, and Summit Springs communications tower.

CORPORATE SERVICES REPORT

Jim Jackson presented the Corporate Services Report. Jackson presented CFC Commercial Paper Investments as of December 30, 2021. Highline paid \$2,432.87 in fees on \$166,179.22 worth of credit card payments in December. Jackson presented the Form 7, cash flow report, and check register. Jackson reviewed year-end financials for the Riverview solar project and Highline Services, LLC.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Policy 1-1 Establishment of a Policy Manual
- b. Policy 1-1a Establishment of a Mission and Beliefs Statement
- c. Safety Committee Report
- d. New Members and Membership Refunds
- e. Subordination Agreements or Release of Liens

f. Estate Capital Credit Refunds

The Consent Agenda was approved by unanimous consent.

2022 ANNUAL MEETING RECORD DATE

It was properly moved, seconded, and carried to establish February 28, 2022 as the record date for Highline's 2022 Annual Member Meeting.

VEHICLE BIDS

Rance Ferguson presented bids to replace units 6 and 41. It was properly moved, seconded, and carried to approve the ETI bid for the 2023 Ford F-550 for both units.

President Bennett recessed the meeting at 12:00 noon for lunch and reconvened at 12:56 p.m.

DEFERRED REVENUE DISCUSSION

General Manager Herman reported that 2021 estimated margins will be sufficient to meet Highline's financial requirements without recognizing deferred revenue. He recommended amending the revenue deferral plan to eliminate recognition of deferred revenue in 2021. He presented a resolution approving the amendment. It was properly moved, seconded, and carried to approve the resolution as presented.

RLF APPLICATION

General Manager Herman presented an application for an RLF loan from Vitaly Zagidulin and Lisa Hunnewell. Tadius Huser presented a resolution approving the loan. It was properly moved, seconded, and carried to approve the resolution as presented.

DIRECTOR COMPENSATION

General Manager Herman presented information regarding director compensation as requested by Leo Brekel. The Board discussed whether to reduce the number of directors on the board. The consensus of the board is to retain the current number of directors.

TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. He reviewed Tri-State's financials through November. Brekel reported on litigation and regulatory matters at Tri-State. He presented information regarding Tri-State's renewable energy generation.

CREA

Jim Lueck reported on his attendance at the regular meeting of the CREA Board of Directors. He presented the 2022 legislative preview.

WESTERN UNITED

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

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

It was properly moved, seconded, and carried to go into executive session for confidential discussion regarding the General Manager appraisal, with the following in attendance: All directors present at the meeting, Manager Herman, and Attorney Williamson. Manager Herman left while the board discussed his compensation. It was properly moved, seconded, and carried to exit executive session.

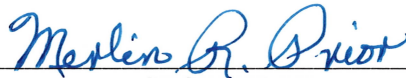
It was properly moved, seconded, and carried to set General Manager Herman's salary as discussed in executive session.

PUBLIC COMMENT

There was no Public Comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 3:45 p.m.



SECRETARY



PRESIDENT

SECRETARY'S CERTIFICATE

I, Merlin R. Prior, do hereby certify that: I am the secretary of Highline Electric Association (hereinafter called the "Corporation"), the following are true and correct copies of resolutions duly adopted by the Board of Directors of the Corporation at the regular meeting held January 20, 2022 and entered in the minute book of the Corporation; the meeting was duly and regularly called and held in accordance with the bylaws of the Corporation; and none of the following resolutions has been rescinded or modified:

RESOLUTIONS

- 1) RESOLVED that the Corporation loan \$52,520.00, from the Corporation's Revolving Loan Fund, to Vitaly D. Zagidulin and Lisa A. Hunnewell, to be repaid within 84 months with interest at three and a quarter (3.25) percent, and that the borrower execute the Corporation promissory note and other Revolving Loan Fund documents evidencing said indebtedness;
- 2) RESOLVED that Vitaly D. Zagidulin and Lisa A. Hunnewell shall execute a deed of trust to secure the indebtedness with their property at 34288 County Road 51 Peetz, CO 80747; and
- 3) RESOLVED that the officers of the Corporation and the General Manager and each of them is authorized in the name and on behalf of the Corporation, to execute all such instruments, make all such payments and do all such other acts as in the opinion of the officer, officers, manager, or managers acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions.

I FURTHER CERTIFY THAT each member of the Board of Directors of the Corporation was furnished with notice of said meeting in compliance with the bylaws of the Corporation.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Corporation this 20th day of January, 2022.



Merlin R. Prior
Secretary

HIGHLINE ELECTRIC ASSOCIATION

RESOLUTION OF BOARD OF DIRECTORS

- 1) RESOLVED that the Corporation loan \$52,520, from the Corporation's Revolving Loan Fund, to Vitaly D. Zagidulin and Lisa A. Hunnewell to be repaid within 84 months with interest at three and a quarter (3.25) percent, and that the borrower execute the Corporation promissory note and other Revolving Loan Fund documents evidencing said indebtedness;

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- 3) RESOLVED that the officers of the Corporation and the General Manager and each of them is authorized in the name and on behalf of the Corporation, to execute all such instruments, make all such payments and do all such other acts as in the opinion of the officer, officers, manager, or managers acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions.


ADOPTED AND APPROVED by a majority vote of the directors present at the regular meeting of the Highline Electric Association Board of Directors on this this 20th day of January, 2022.

Highline Electric Association



Mike Bennett, President

Attest:



Merlin R. Prior, Secretary