

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
November 21, 2024

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 November 21, 2024.

ROLL CALL

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

Mike Bennett	Aaron Sprague
Brad Stromberger	Leo Brekel
David Carlson	Lisa Schilke
Steve Oestman	Jim Lueck
Pam Stieb	Merlin Prior
Ted Carter	

General Manager Dennis Herman and Attorney Bryson Fredregill were present in person. Staff members Alex Astley, Jim Jackson, Elise Pocock, Tad Huser, and Kris Camblin were present in person or via video conference. Attorney Fredregill recorded the minutes of the meeting.

AGENDA APPROVED

The agenda was revised with the removal of Policy 3-7 Scholarships from the Consent Agenda for separate consideration. The agenda was adopted as revised.

MINUTES APPROVED

The minutes of the October 17, 2024, Regular Meeting of the Board of Directors were presented. It was properly moved, seconded, and carried to adopt the minutes as presented.

MANAGER'S REPORT

Manager Herman presented the Manager's Report. He reported on kWh Purchased, kWh Sold, Operating Revenue, Billing Summary, Expenses, Operating Margins, and Cash & Investments through October 2024. Herman discussed variances from the budget. Herman reported that he anticipates using approximately \$500,000 in deferred revenue in the near term.

Aaron Sprague reported on the RRWCD's efforts to retire irrigated acres in the district.

Herman reported on the status of Highline's eagle protection grant.

Herman reported that Highline is waiting for a response from its meter manufacturer to satisfy the requirements of Nebraska LB 1370.

Herman reported that Highline found an alternate vendor to provide software for the Level2 EV Chargers in Holyoke.

Herman provided an update on FERC matters, including Highline's legal expenses.

Herman reported that Highline will have a silent auction item ready for the Nebraska ACRE.

Herman reported that an update on the New ERA grant application will be provided in executive session.

Herman proposed that the board receive reports from each employee regarding his or her duties in order to gain a more detailed understanding of the Association's operations and personnel. The board was in favor of the proposal.

Herman presented a notice of fee increase for the Association's general counsel.

OPERATIONS AND SAFETY REPORT

Operations Manager Kris Camblin presented the Operations and Safety Report. He reported on substation and other facilities projects, fire mitigation efforts, training, and line-crew activity.

Camblin presented the Safety Report. There were no accidents. He also presented the outage report. Camblin is undertaking a review of all relevant policies.

MEMBER SERVICES REPORT

The Member Services Report, as prepared by Tadius Huser, was reviewed. Tad reported on new services, rebates, revolving loan fund loans, RESP, renewable interconnections, EV charger utilization, and the GRIP grant.

ENGINEERING REPORT

Alex Astley presented the Engineering Report. He reported on project work in engineering, information technology, metering, staking, and communications. He reported that engineering and accounting are working on closing a large project so contribution in aid to construction can be calculated and billed.

CORPORATE SERVICES REPORT

Corporate Services Manager Jim Jackson presented the Corporate Services Report. Jackson presented CFC Commercial Paper Investments as of October 31, 2024. Highline paid \$3,586.16 in fees on \$265,149.60 worth of credit card payments in October.

Jackson presented the balance sheet, Form 7, cash flow report, and check register.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Policy 3-5 Procedures for oversized loads (no recommended changes)
- b. Policy 3-6 Use of Community Room(no recommended changes)
- c. New Members
- d. Subordination Agreements or Release of Liens
- e. Estate Capital Credit Refunds

The Consent Agenda was approved by unanimous consent.

POLICY 3-7 Scholarships

Herman presented a revised Policy 3-7 Scholarships. Herman proposed modifying the policy to reserve two scholarships for lineman school, which may be awarded off the normal award cycle. The board was in favor of the proposal. Staff will revise the policy accordingly and bring it back for final adoption.

2025 BUDGET

Herman presented the proposed 2025 Budget, which incorporates a 3.5% rate increase. Herman anticipates recommending further rate revision in the near term to align with the ongoing cost of service study.

President Bennett tabled further discussion of the 2025 Budget until later in the meeting.

President Bennett recessed the meeting at 10:50am and reconvened at 11:00am

CREA TOWN HALL

The following joined the meeting representing CREA: Craig Johnson, Taylor Ward, Cassie Gloe, and Julie Baker.

Johnson, Ward, Gloe, and Baker presented on CREA. Topics discussed included, CREA's mission, purpose, structure, objectives, funding, member services, legal services, government relations, communications, and safety programs.

President Bennett recessed the meeting at 12:25pm and reconvened at 1:17pm.

Craig Johnson, Taylor Ward, Cassie Gloe, and Julie Baker exited the meeting.

2025 BUDGET CONTINUED

Herman continued to present the proposed 2025 Budget. It was properly moved, seconded, and carried to adopt the budget as presented.

CAPITAL CREDITS

Jim Jackson presented the two capital credit retirement options. Jackson recommended retirement in the amount of \$1,296,491.50, which represents 21.86% of Tri-State capital credits allocated for the year 2002, 100% of Highline capital credits allocated for the year 2007, and 51.39% of Highline capital credits allocated for the year 2009, It was properly moved seconded and carried to approve the retirement option as recommended by Jackson.

EXECUTIVE SESSION

It was properly moved, seconded, and carried to enter executive session for confidential discussion regarding an opportunity under

Tri-State's BYOR Policy, grant opportunities, and real property acquisition, with all Directors present at the meeting, Manager Herman, staff present at the meeting, and Attorney Fredregill. It was properly moved, seconded, and carried to exit executive session.

Director Carlson exited the meeting.

The Board reviewed resolutions to appoint Dennis Herman to the Representative-Signature-Certify security role with respect to application for funding under the Inflation Reduction Act. It was properly moved, seconded, and carried to adopt the following resolutions:

NOW, THEREFORE, BE IT RESOLVED that, Dennis Herman, General Manager of Highline Electric Association be assigned the Representative- Signature-Certify (Rep-Sign-Cert) security role on behalf of the Corporation, who shall be responsible for submitting and certifying to the Rural Utilities Service, an agency of the United States Department of Agriculture, any and all data required to submit an application for funding under the Inflation Reduction Act; and

BE IT FURTHER RESOLVED that all shall comply with the Instructions for the Inflation Reduction Act Intake System in regard to use of the government's application and data collection systems.

It was properly moved seconded, and carried to authorize the General Manager to submit the New Era application under the terms discussed in executive session and to further authorize the General Manager and Officers of the Association to execute any documents necessary to carry out the foregoing purpose.

It was properly moved seconded, and carried to authorize the General Manager to apply to the Colorado Microgrids Resilience Program under the terms discussed in executive session and to further authorize the General Manager and Officers of the Association to execute any documents necessary to carry out the foregoing purpose.

It was properly moved seconded, and carried to authorize the General Manager to acquire real property under the terms discussed in executive session and to further authorize the General Manager and Officers of the Association to execute any documents necessary to carry out the foregoing purpose.

MODEL AI POLICY

Manager Herman presented a Model Artificial Intelligence Policy for review to start the conversation on how to address artificial intelligence use at the Association.

TRI-STATE CONTRACT COMMITTEE

Manager Herman reported on his attendance at the Tri-State Contract Committee Meeting. Tri-State is seeking contract extensions to allow for longer amortization of New Era funded acquisitions, which it says will reduce rate pressure.

TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Brekel reported that the Tri-State directors received a fiduciary duty review and wholesale contract review. Brekel reported that the New ERA award can be leveraged to secure up to \$2.5 billion in low-cost financing. Brekel reported that Tri-State's Request for Proposals for renewable generation has been published. He also reported that Tri-State and La Plata have agreed to a settlement term sheet with settlement pending the negotiation and execution of a final settlement agreement. Brekel reported that Tri-State decided to use \$125 million of its rate stabilization fund. Brekel reviewed Tri-State's September financials.

CREA

Jim Lueck reported on his attendance at the Energy Innovations Summit.

WESTERN UNITED

Ted Carter provided a status update on Western United. Revenue is up and the backlog is declining.

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 3:05 p.m.

SECRETARY

PRESIDENT