

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
July 24, 2025

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 July 24, 2025.

ROLL CALL

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

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

Director Aaron Sprague entered the meeting immediately before the Manager's Report.

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

AGENDA APPROVED

The agenda was adopted as presented.

MINUTES APPROVED

The minutes of the June 19, 2025, Regular Meeting of the Board of Directors were presented. It was properly moved, seconded, and carried to adopt the minutes as presented.

Director Sprague entered the meeting.

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 June 2025.

Brad Stomberger reported on the Parker-Lower South Platte Project and that a court date is scheduled for August 11, 2025 to adjudicate the junior water rights. Stromberger also reported on the lawsuit that Nebraska filed against Colorado in the Supreme Court of the United States in relation to the South Platte River Compact.

Herman reported on the status of the eagle protection project.

Herman reported that Basin is now drawing on a RUS loan under the belief that it removes them from FERC jurisdiction. Leo Brekel reported that Basin has many issues to resolve in addition to the FERC jurisdiction question, including the possibility of Tri-State bifurcating its rate into a west-side rate and an east-side rate.

It was properly moved, seconded, and carried to authorize Herman with voting powers for completing the CoBank Nominating Committee ballot.

Herman reported that Highline's, with Y-WEA's assistance, replacement of poles identified by testing as needing replacement is going well.

Herman presented the board with the option of providing standby pay to employees in relation to Highline's transition to the Tri-State DERMS program. The transition will require an employee to always be on call during the control window. It was properly moved, seconded, and carried to approve four hours of standby pay when employees are on call during the control window.

CORPORATE SERVICES REPORT

Corporate Services Chief Financial Officer Jim Jackson presented the Corporate Services Report. He reported that Meridian Cooperative had been selected as the new Enterprise billing and financial services provider and Highline had provided a letter of intent to Meridian to begin formalizing the service agreements.

The balance sheet, Form 7, cash flow report, and check register were reviewed.

OPERATIONS AND SAFETY REPORT

Operations Manager Kris Camblin presented the Operations and Safety Report. He reported on system damage from the May windstorm, vehicle maintenance, fire mitigation activities, and area crew activities. He presented the Safety Committee Report. There were no accidents. He presented the outage report.

MEMBER SERVICES REPORT

The Member Services Report, as prepared by Member Services Manager Tadius Huser, was reviewed.

ENGINEERING REPORT

The Engineering Report, as prepared by Alex Astley, was reviewed.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Policy 6-2 Employee Benefits (recommended changes)
- b. Policy 2-7 Smoking Policy (no recommended changes)
- c. Policy 2-8 Disaster Assistance (no recommended changes)
- d. New Members and Membership Refunds
- e. Subordination Agreements and Release of Liens
- f. Estate Capital Credit Refunds

The Consent Agenda was approved by unanimous consent.

PRE-SUBMISSION REVIEW OF 2024 FORM 990

The 2024 IRS Form 990, as prepared by Larson PA, was reviewed.

BUCKET TRUCK BID EVALUATIONS

Operations Manager Kris Camblin presented options to the board to purchase three trucks for 2027. Camblin recommended purchasing two Terex Ford F600 4x4 single bucket trucks with 40ft booms and one Altec Freightliner M2-106 with a 60ft boom and two-man tub.

It was properly moved, second and carried to purchase the trucks as recommended.

RLF LOAN AND NEXTERA GRANT UPDATE

It was properly moved, seconded and carried to go into executive session for confidential discussion regarding an RLF Loan and the NextEra Grant, with the following in attendance: All directors present at the meeting, Manager Herman, Attorney Kelly Zorn Lowery, and all staff present at the meeting. Director Leo Brekel was present for the discussion regarding the RLF loan and left the meeting before discussion on the NextEra grant. It was properly moved seconded and carried to exit executive session.

It was properly moved, seconded and carried to authorize General Manager Herman to take all necessary actions to collect on the RLF Loan against all potential parties.

BATTERY ENERGY STORAGE SYSTEM (BESS) UPDATE

General Manager Herman reported on the potential projects in relation to the timelines implemented pursuant to the "One Big Beautiful Bill". Herman recommended focusing primarily on battery projects due to their potential for significant cash flow benefits.

TRI-STATE BYOR PROJECT

General Manager Herman reported on the status of the BYOR project. Herman notified the board that he is investigating a project with a solar developer that would allow Highline to use its remaining BYOR allocation.

COOPERATIVE FAMILY FUND REVIEW

General Manager Herman presented a request for continued support of the Cooperative Family Fund.

It was properly moved, seconded and carried to donate \$1,000 to the Cooperative Family Fund and to continue reviewing this request on an annual basis.

KRTA REVIEW

General Manager Herman reviewed the 2024 CFC KRTA with the board.

TRI-STATE

Director Leo Brekel reported on his attendance at the regular meeting, which was held virtually, of the Tri-State Board of Directors. Current solar and wind tax credits will be phased out under the One Big Beautiful Bill Act. Tri-State is monitoring the

Department of Energy's orders around the country directing utilities to keep retiring coal plants open and available in light of Tri-State's plan to retire Craig Unit 1 at the end of the year.

General Manager Herman reported on Tri-State's Building Review Committee and the potential optics of spending \$100 million on a new building or building renovations with a forthcoming rate increase. Tri-State is investigating the possibility of a cheaper option, involving purchasing an existing building.

CREA

Director Jim Lueck reported on his attendance at the regular virtual meeting of the CREA Board of Directors.

General Manager Herman reported that his motion at the previous CREA board meeting to assess the debt associated with the new building purchase to each CREA member passed.

WESTERN UNITED

Director Ted Carter reported on his attendance at the regular meeting of the Western United Board of Directors. Western United's fiscal end of year was June 30, 2025 and it reported its highest level of sales for a fiscal year in Western United's history. Carter also notified the Board that Western United will be having its annual Fish Fry meeting in August.

NREA

Merlin Prior provided an update on NREA. Prior reported that NREA is fairly quiet at this time.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

FERC TRI-STATE

It was properly moved, seconded, and carried to go into executive session for confidential discussion regarding the Tri-State FERC rate docket, with the following in attendance: All directors present at the meeting, Manager Herman, Attorney Lowery, and all staff present at the meeting. 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 a settlement in the Tri-State FERC rate docket on behalf of Highline with up to a \$150,000/year rate impact on Highline.

Director Breckel abstained from voting on the motion.

PUBLIC COMMENT

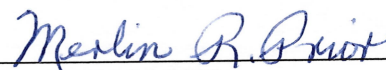
There was no Public Comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 12:12 p.m.



SECRETARY



PRESIDENT