

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
October 16, 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 October 16, 2025.

ROLL CALL

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

Mike Bennett	David Carlson
Ted Carter	Brad Stomberger
Aaron Sprague	Lisa Schilke
Merlin Prior	Pam Stieb
Steve Oestman	

Director Jim Lueck and Leo Brekel attended via telephone conference. Brekel entered the meeting at 9:37 a.m.

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

AGENDA APPROVED

The agenda was adopted as presented.

MINUTES APPROVED

The minutes of the September 18, 2025, Regular Meeting of the Board of Directors were presented. It was properly moved, seconded, and carried to adopt the minutes as presented.

EMPLOYEE WAGE COMMITTEE

Employees Diana Baeza, Tracy Simpson, Jace Rhodes, Carson Ebke, Jeff Poe, and Wes Longshore entered the meeting. The employees presented information regarding wages. The employees requested a 4% wage increase for all employees. The Board thanked the employees for their work at HEA. The employees left.

NAVAJO NATION REPORT

Employee Carson Ebke presented information regarding Highline's employees' participation in the Light Up Navajo Nation project.

Leo Brekel entered the meeting via telephone conference during the presentation.

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 September 2025.

Brad Stromberger and Aaron Sprague updated the board on water issues, including expected fee increases at the RRWCD.

Herman updated the board on the status of the eagle protection project and the status of the Tri-State FERC rate docket. There will be a strategic planning session on Thursday March 12, 2026, with Darrin Lynch from CFC facilitating. Herman is up for re-election on the NRECA Board of Directors. Highline is joining Y-WEA and MCREA to offer a golf and dining package at the CARE auction.

Herman reported on the status of Highline's analysis of the Highline irrigation load control program in conjunction with the Tri-State DERMS program. Discussion regarding the Tri-State program followed.

Herman reported that the employees would like to have the Christmas party during the workday toward the end of the day on a Thursday. After discussion, it was the consensus of the board to have the party during the day as requested.

OPERATIONS AND SAFETY REPORT

Operations Manager Kris Camblin presented the Operations and Safety Report. He reported on substation testing, fire mitigation, pole replacement, and area crew activities. He presented results of the RESAP testing. He presented the Safety Committee Report. There were no accidents. Camblin presented the outage report.

MEMBER SERVICES REPORT

Member Services Manager Tadius Huser presented the Member Services Report. He reported on new services, rebates, RLF activity, the on-bill repayment program, renewable distributed generation, and attempts to sell the Free Wire EV charger. Huser and Herman reported on Logan County's moratorium on wind, solar, battery, and data center projects.

ENGINEERING REPORT

Alex Astley presented the Engineering Report. He reported on project work in engineering, information technology, metering, staking, and communications. He reported on the status of large projects, including the Chase transformer upgrade, Lamar substation upgrade, the Amherst substation battery energy storage system project, the Y-WEA construction work plan, and load control activity.

CORPORATE SERVICES REPORT

Corporate Services Manager Jim Jackson presented the Corporate Services Report. Jackson presented CFC Commercial Paper Investments as of September 30, 2025. Highline paid \$3,699.67 in fees on \$292,418.76 worth of credit card payments in September.

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

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Policy 2-10 Discipline and Discharge (no recommended changes)

- b. Policy 2-11 Problem Solving Procedure (no recommended changes)
- c. Policy 2-12 EEO Harassment (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.

2026 BUDGET DISCUSSION

General Manager Herman and staff presented the preliminary budget for 2026. Discussion followed.

President Bennett recessed the meeting at 12:01 p.m. and reconvened at 12:59 p.m.

The board continued discussion regarding the preliminary budget.

BYOR UPDATE

General Manager Herman updated the board on the status of the BYOR project.

RLF REQUEST

General Manager Herman reported that the potential RLF loan application was not finalized before the board meeting. The applicants intend to apply in the future.

AMHERST SUBSTATION BESS PROJECT

General Manager Herman reported on the status of the Amherst substation BESS project. He reviewed projected financials with and without federal ITC direct pay and under minimum and maximum usage by Tri-State under the DERMS agreement. Staff will pursue ITC payments for the project, but due to the many requirements and deadlines, the project might not qualify for the payments.

It was properly moved, seconded, and carried to authorize the Amherst substation BESS project as presented.

2026 RATE DISCUSSION

General Manager Herman presented information regarding projected 2025 year-end financials and the projected rate increase necessary for 2026.

TRI-STATE

The Board reviewed the written report of the regular meeting of the Tri-State Board of Directors. Tri-State intends to purchase a new headquarters facility, tear down the existing headquarters, and build a new operations facility in that location.

DISTRIBUTION LINE CONTRACT

Wes Longshore presented bids for construction of distribution line this winter season.

It was properly moved, seconded, and carried to accept the Foothills/Mastec bid.

CREA

Director Jim Lueck reported on his attendance at the regular meeting of the CREA Board of Directors. CREA had a special meeting to discuss Xcel's intent to join SPP Markets+ program. SPP Markets+ is a day-ahead market. Some CREA members believe Colorado law requires Xcel to join a real-time market. The CREA Board discussed whether to fund a study regarding the issue. The Board received a report on potential legislation for 2026 that will impact CREA members. Tom Walsh is the new CREA Executive Director.

WUE

Director Ted Carter reported that there was no regular meeting of the Western United Board of Directors. Carter reviewed Western's financials through September 2025.

NREA

Director Merlin Prior reported that NREA will hold its annual meeting in December.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

EXECUTIVE SESSION

It was properly moved, seconded, and carried to go into executive session for confidential discussion regarding employee wage and benefits with the following in attendance: directors Carlson, Stromberger, Carter, Oestman, Schilke, Sprague, Stieb, Prior, Bennett, Brekel, and Lueck, and General Manager Herman, Jim Jackson, and Levi Williamson. It was properly moved, seconded, and carried to exit executive session.

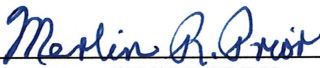
It was properly moved, seconded, and carried to approve a 3% wage increase to the employees.

PUBLIC COMMENT


There was no Public Comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 2:23 p.m.



SECRETARY



PRESIDENT