

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
August 19, 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 August 19, 2021.

ROLL CALL

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

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

Directors present video conference:

Brad Stromberger

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

AGENDA APPROVED

The agenda was revised and approved as revised.

MINUTES APPROVED

The minutes of the July 15, 2021 meeting were revised to reflect that the board voted to appoint Merlin Prior as Highline's delegate to vote for Nebraska's director to the NRECA Board of Directors. The minutes were approved as revised.

MANAGER'S REPORT

Manager Herman presented the Manager's Report. He presented graphs of kWh Purchased, kWh Sold, Expenses, Operating Revenue, Operating Margins, and Cash & Investments through July 2021. Herman also presented the Ormat Report, which indicated year-to-date savings of \$21,817.20.

Director Aaron Sprague provided an update on the activities of the Republican River Water Conservation District, including continued efforts to meet the acreage retirement requirements. The District increased its water assessment to fund a program to incentivize retirement of irrigated acres.

Herman updated the board on the FERC and PUC litigation involving Tri-State. Herman reported on the CARE auction. Highline will donate a four-person golf outing at Ballyneal and a cornhole set. Herman presented information regarding CREA's draft messaging campaign regarding renewable energy. The board discussed additional information that they'd like to see included in the campaign.

Herman asked the board if they are interested in providing commercial broadband services in Highline's territory. The board

is not interested in pursuing commercial broadband at this time. The board is interested in leasing Highline facilities to commercial broadband carriers.

Herman reported on the status of Highline's application for FEMA funds for the Chase to Champion transmission and distribution line.

OPERATIONS AND SAFETY REPORT

Rance Ferguson presented the Operations and Safety Report. He reported on the Lamar substation outage and the status of the NIYOL wind farm transmission line.

Ferguson presented the outage report and safety committee report. There were two accidents with no injuries. Ferguson reported on implementation of electronic tailgates.

MEMBER SERVICES REPORT

Tadius Huser presented the Member Services Report. He reported on new services, rebates, RLF loan activities, and the youth camp and Washington D.C. tour.

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 rebuild design. Highline is continuing in the effort to switch its phone system to an internet-based system. Astley reported on the Lamar substation outage, SCADA master server upgrade, and July load control.

CORPORATE SERVICES REPORT

Jim Jackson presented the Corporate Services Report. Jackson presented interest rates and CFC Commercial Paper Investments as of July 30, 2021. Highline paid \$2,214.02 in fees on \$158,670.62 worth of credit card payments in June. Highline's retirement security plan rate will increase by 2% for 2022. Jackson presented the Form 7, cash flow, and check register.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. HEA Policy Review
 - Policy 2-4a Employee Compensation-Deferred Compensation Plan
 - Policy 3-1 Member Education
- 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.

POLICY 1-23 STRENGTHENING PROTECTIONS FOR CONSUMER DATA PRIVACY

Manager Herman presented revised Policy 1-23. It was properly moved, seconded, and carried to approve Policy 1-23 as presented.

MEDICAL INSURANCE

Manager Herman reported that NRECA will have an 8% increase in rates for Highline's medical insurance plan for 2022. Herman presented information for two alternative plans for 2022. He is leaning toward HUB insurance. He will continue to investigate and discuss with employees before asking for board action.

David Kinnison entered the meeting at 11:00 a.m.

PRE-PAID METERING

Manager Herman presented draft Rules & Regulations and a draft contract for a pre-paid metering service. He presented a new rate tariff for the residential pre-paid service. It was properly moved, seconded, and carried to approve the rate as presented, with Merlin Prior voting no.

CFC KRTA

Manager Herman presented the executive summary of CFC's 2020 KRTA report.

President Bennett recessed the meeting at 11:56 a.m. for lunch and reconvened at 12:58 p.m.

DC FAST CHARGING STATION

Manager Herman reported that Tri-State is offering funds for Highline to install a DC fast charger as a pilot project for a hybrid charging station. Herman discussed this project and other potential EV charging station options. Staff will continue to investigate and report back to the board.

DELEGATE ELECTIONS

It was properly moved, seconded, and carried to appoint Jim Lueck as Highline's delegate to the NRECA Region VII meeting.

It was properly moved, seconded, and carried to authorize Dennis Herman to approve the entire CoBank 2022-23 nominating committee slate.

It was properly moved, seconded, and carried to appoint Leo Brekel as Highline's delegate to the Basin Electric annual meeting.

It was properly moved, seconded, and carried to authorize Manager Herman to vote the CFC ballot as follows:

1. For the District 7 2022 proposed nominating committee
2. For Charles A. Abell II for District 7 director
3. For Barbara Hampton for at-large director

TRI-STATE

Leo Brekel, Merlin Prior, Pam Stieb and Manager Herman reported on their attendance at the Tri-State annual meeting. The membership approved limiting non-utility members to 10. Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Tri-State is changing how board meetings and committee meetings are handled as a result of Colorado HB21-1131. Brekel presented Tri-State's financials.

CREA

Jim Lueck reported that there was no regular meeting of the CREA Board of Directors.

NREA

Merlin Prior reported on his attendance at the regular meeting of the NREA Board of Directors. He reported on personnel matters, changes to the JT&S program, and NRECA resolutions. There will be no increase in NREA's 2022 dues.

WESTERN UNITED

Ted Carter reported that there was no meeting of the Western United Board of Directors. He presented Western's financials.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

EXECUTIVE SESSION

It was properly moved, seconded, and carried to go into executive session to discuss personnel, confidential power supply matters, and confidential FERC matters, with the following in attendance: All Directors present at the meeting; Manager Herman; and Attorney Williamson. Leo Brekel left the meeting for the portion related to power supply and FERC. It was properly moved, seconded, and carried to come out of 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 2:40 p.m.



SECRETARY



PRESIDENT