

HIGHLINE ELECTRIC ASSOCIATION  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
September 16, 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 September 16, 2021.

ROLL CALL

Vice President Jim Lueck presided at the meeting. Directors present in person were:

|               |                  |
|---------------|------------------|
| Leo Brekel    | Merlin Prior     |
| Ted Carter    | Pam Stieb        |
| Steve Oestman | Merl Miller      |
| Jim Lueck     | Brad Stromberger |

Manager Dennis Herman and Attorney Bryson Fredregill were present in person. Staff member Jim Jackson was present in person. Staff members Rance Ferguson, Tadius Huser, and Alex Astley were present via videoconference and presented reports in person. Attorney Fredregill recorded the minutes of the meeting. Directors Mike Bennett, Aaron Sprague, and David Kinnison were absent.

AGENDA APPROVED

The agenda was revised with the removal of Policy 2-3 and four estate refunds from the Consent Agenda. The agenda was approved as revised.

MINUTES APPROVED

The minutes of the August 19, 2021, 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 August 2021. Herman also presented the Ormat Report, which indicated year-to-date savings of \$39,055.85.

Herman updated the board on the Republican River Water Conservation District's attempts to secure more funding for compliance. Herman reported that Highline filed a Motion to Intervene and comments in support of Tri-State's most recently filed modified contract termination payment before the Federal Energy Regulatory Commission. Herman also discussed the status of the pay equity analysis and contribution to the CARE Auction. Herman updated the board on the impact of COVID-19 on employees and the implementation of additional paid leave pursuant to Colorado Law. Herman reported on staff's participation in a data strategy workshop and AMI data management programs.

OPERATIONS AND SAFETY REPORT

Rance Ferguson presented the Operations and Safety Report. He reported on storm damage, the departure of eaglets that had affected construction of a stock well service, personnel reorganization, and line crew activity.

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, renewable projects, RLF loan activities, and meetings with members.

#### 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 project. Design is nearing completion. He reported that the internet phone system is currently running in test configuration. He reported that Highline load controlled 6 days and 1 day in August and September, respectively.

#### CORPORATE SERVICES REPORT

Jim Jackson presented the Corporate Services Report. Jackson presented interest rates and CFC Commercial Paper Investments as of August 30, 2021. Highline paid \$2,509.85 in fees on \$188,040.29 worth of credit card payments in August. Jackson presented the Form 7, cash flow report, and check register.

#### EXECUTIVE SESSION

It was properly moved, seconded, and carried to go into executive session to discuss personnel matters and employee benefits, with the following in attendance: all Directors present at the meeting; Manager Herman; Attorney Fredregill; Huser, Jackson, and Ferguson. It was properly moved, seconded, and carried to come out of executive session.

#### WESTERN UNITED

Ted Carter reported on his attendance at the regular meeting of the Western United Board of Directors. Sales are good, and WU is carrying excess inventory to help reduce backorders. WU is having challenges with freight due to lack of drivers. The new building in St. George is awaiting permitting.

#### CONSENT AGENDA

The Consent Agenda contained the following items:

- a. HEA Policy Review
  - Policy 1-20 Records Management Policy (no changes)
- 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.

#### ESTATE REFUNDS

Attorney Fredregill presented four estate refund applications. Fredregill recommended additional legal review and that approval be subject to said legal review. It was properly moved, seconded,

and carried to approve the four estate refunds pending legal review.

Ted Carter exited the meeting.

Vice President Lueck recessed the meeting at 12:00 noon and reconvened the meeting at 12:50 p.m.

#### MEDICAL INSURANCE

Barb Holtzman and Elise Pocock entered the meeting.

Manager Herman reported on Highline's investigations into changing health insurance providers. Highline surveyed its employees for questions and concerns regarding the proposed change. Highline received responses to those questions from HUB and shared the responses with employees. Highline will facilitate employee engagement of HUB to address any lingering concerns.

Barb Holtzman and Elise Pocock exited the meeting.

#### PRE-PAID METERING

Manager Herman presented revised Rules & Regulations and a contract for a pre-paid metering service. It was properly moved, seconded, and carried to approve the revised Rules & Regulations and Pre-Pay Service Agreement as presented.

#### DC FAST CHARGING STATION

Manager Herman presented options for the installation of a DC fast charging station at the Julesburg interchange. Herman compared installation of a Freewire Boost station utilizing battery backup with a ChargePoint 3-phase 120 kW on demand DCFC station. The cost of the former would be partially offset by Tri-State through its battery backup pilot project, with the remaining funding coming a combination of Charge Ahead Colorado grant funds, Tri-State EV Infrastructure funds, and approximately \$31,500.00 from Highline. The cost of the latter would be mostly covered by the grant and Tri-State EV Infrastructure funds. Manager Herman recommended the Freewire Boost DCFC due, in part, to its ability to address demand issues. It was properly moved, seconded, and carried to authorize management to proceed with acquisition and installation of a Freewire Boost station with battery backup.

#### REDL&G SUBMISSION

Manager Herman presented a request from Haxtun Health for USDA Rural Economic Loan and Grant funding in the amount of \$1.3 million to build a clinic with a physical therapy facility and pharmacy in downtown Haxtun. Under the proposal, the funding would consist of a \$1 million loan and \$300,000.00 grant. Herman reported Highline only faces \$60,000.00 in financial risk if the project is unsuccessful. It was properly moved, seconded, and carried to approve Highline's participation in the project as presented, provided Highline's financial risk does not exceed \$60,000.00.

#### NET METERING FEE

Manager Herman presented a proposed Distributed Generation Interconnection Application Fee to recover Highline's costs of engaging in the interconnection process. Herman recommended a two-tiered fee, with a \$50.00 application fee for usage and system

review and an additional \$350.00 fee assessed at submission of the full application. It was properly moved, seconded, and carried to approve the application fee as presented.

#### DELEGATE ELECTIONS

It was properly moved, seconded, and carried to appoint Dennis Herman as Highline's delegate to the NRECA Region VII meeting, the Federated Rural Electric Insurance Exchange meeting, and the Touchstone Energy Meeting.

It was properly moved, seconded, and carried to appoint Pam Stieb and Merlin Prior as delegate and alternate, respectively, for the NRECA Colorado meeting.

#### TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Tri-State revised its contract termination payment and submitted it to FERC. NRECA is getting involved in seeking support for stranded asset legislation. The Tri-State board reviewed the consolidated operating budget.

#### CREA

Jim Lueck reported on his attendance at the regular meeting of the CREA Board of Directors. Geoff Hier announced his retirement and will be replaced by Tim Coleman. Kent Singer is seeking to hire another lobbyist to represent CREA. CREA is soliciting bids to update its AV equipment.

#### NREA

Dennis Herman reported that Rick Nelson is the interim GM of NREA.

#### 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 confidential power supply matters, with the following in attendance: All Directors present at the meeting, except Leo Brekel, who exited the meeting during the executive session, and Ted Carter, who previously exited the meeting. Manager Herman and Attorney Fredregill were also present during the executive session. 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 3:07 p.m.

  
SECRETARY

  
PRESIDENT

4819-8425-3439, v. 3