

HIGHLINE ELECTRIC ASSOCIATION  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
August 24, 2022

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 24, 2022.

ROLL CALL

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

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

Directors Pam Stieb and Brad Stromberger were absent. Manager Dennis Herman and Attorney Levi Williamson were present in person. Staff members Jim Jackson, Rance Ferguson, Tadius Huser, and Alex Astley were present in person. Attorney Levi Williamson recorded the minutes of the meeting.

AGENDA APPROVED

The agenda was revised and was approved as revised.

MINUTES APPROVED

The minutes of the July 28, 2022, regular meeting of the board of directors were presented. The minutes 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 July 2022.

Director Sprague reported on matters at the Republican River Water Conservation District.

Herman presented the Ormat Report. Highline recognized savings of \$6,116.75 through July 2022.

Herman reported that HEA's bills have been delayed by Highline's printing contractor. Herman reported on cyber security threats and recommended having a network audit performed at a cost of approximately \$38,000. Herman will request bids and bring them to the Board. Highline has four lineman interns. The USDA approved the REDL&G loan and grant for Haxtun Health. Herman reported that Mesa Hotline School is soliciting donations to assist with relocating their yard.

It was properly moved, seconded, and carried to donate \$2,500 to Mesa Hotline School and to request matching funds from Basin Electric.

Highline will join with Y-W to donate a round of golf and one night's stay at Ballyneal golf course to the CARE auction at an approximate cost to Highline of \$650.

## OPERATIONS AND SAFETY REPORT

Operations Manager Rance Ferguson presented the Operations and Safety Report. He reported on copper theft at Highline and Y-W substations, pole replacements, and crew activities.

Ferguson presented the outage report and safety committee report. There were no accidents.

## MEMBER SERVICES REPORT

Member Services Manager Tadius Huser presented the Member Services Report. He reported on new services, rebates, renewable energy, the revolving loan fund, RESP loan activity, and the EV charging station.

## ENGINEERING REPORT

Engineering Manager Alex Astley presented the Engineering Report. Astley reported on engineering, IT, metering, staking, and communications projects. Astley updated the board on the Sterling to West Plains Transmission Line project, design of the Atwood Substation Project, and the construction schedule and easement acquisition for the AMI-Fritzler monopole. Astley also reported on load control monitoring and implementation.

## CORPORATE SERVICES REPORT

Corporate Services Manager Jim Jackson presented the Corporate Services Report. Jackson presented CFC Commercial Paper Investments as of July 30, 2022. Highline paid \$1,384.06 in fees on \$171,410.77 worth of credit card payments in July. Jackson presented the Form 7, cash flow report, and check register.

## CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Policy 1-15 Air Travel (recommended revisions)
- b. Policy 1-16 (no recommended revisions)
- c. Policy 1-21 (recommended revisions)
- d. Safety Committee Report
- e. New Members and Membership Refunds
- f. Subordination Agreements or Release of Liens
- g. Estate Capital Credit Refunds

Policy 1-21 was revised further to delete "between" in Section 2.II.B. Attorney Williamson recommended that one estate refund application be approved pending legal review. The revised Consent Agenda was approved by unanimous consent.

Attorney Williamson advised the Board of a conflict of interest related to an estate refund application. He presented a consent to conflict and explained the conflict and the Board's options. It was properly moved, seconded, and carried to authorize Herman to execute the consent to conflict.

## RESP LOAN

General Manager Herman presented information regarding a RESP loan application for \$24,200. He presented a resolution approving the

loan. It was properly moved, seconded, and carried to approve the resolution as presented.

#### FERC LEGAL BUDGET

General Manager Herman reported that Highline's legal fees for the Tri-State FERC docket are \$59,368.20 to-date. The budgeted amount was \$50,000. It was properly moved, seconded, and carried to authorize continued participation in the FERC matter with monthly updates on legal fees.

#### COLORADO PAID FAMILY LEAVE PLAN

General Manager Herman explained the requirements of the new Colorado law requiring participation by Highline in the Colorado Paid Family Leave Plan. Highline must pay a premium of 0.9% of all taxable wages. Highline can collect half of the premium from the employee or pay the entire amount. Herman recommends paying the entire amount.

It was properly moved, seconded, and carried to pay 100% of the premium and review this in one year.

#### POLICY 2-2 EMPLOYEE BENEFITS

Manager Herman presented revised Policy 2-2 Employee Benefits. It was properly moved, seconded, and carried to adopt Policy 2-2 as presented.

#### E-V CHARGING TARIFF

General Manager Herman presented revised EV Charging Tariff. It was properly moved, seconded, and carried to approve the tariff as presented.

#### POLICY 6-3 INTERCONNECTION OF DISTRIBUTED GENERATION

Manager Herman presented revised Policy 6-3 Interconnection of Distributed Generation. It was properly moved, seconded, and carried to approve the Policy in substantially the form presented and authorize the General Manager to revise the policy further to comply with state law.

President Bennett recessed the meeting at 11:59 a.m. and reconvened at 12:51 p.m.

#### PHYSICAL SECURITY

Manager Herman reported on planned security upgrades at the substations.

#### NRECA REGIONAL MEETING DELEGATES

It was properly moved, seconded, and carried to appoint Jim Lueck as Highline's voting delegate and Dennis Herman the alternate to the Region 7 meeting and Dennis Herman the delegate and Jim Lueck the alternate to the CFC meeting.

#### TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Brekel reported on Tri-State's settlement negotiations with United Power. Coal generation

represented 37% of Tri-State's energy sales in June. The federal Inflation Reduction Act will fund retirement of coal generation. It's not clear whether Tri-State will receive any of these funds or not. Tri-State recognized a \$36 million expense related to water issues at the New Horizon mine.

#### NREA

Merlin Prior reported on his attendance at the regular meeting of the NREA Board of Directors. He presented the financial report. The Board approved a wage increase and started the 2023 budgeting process. The Board hired a new CEO. Prior reported on NRECA resolutions.

#### CREA

General Manger Herman reported that CREA expects a resource adequacy bill at the next legislative session.

#### TRI-STATE RATE COMMITTEE

Manager Herman reported on his attendance at the meeting of the Tri-State Rate Committee. He reported on the results of a survey of committee members regarding Tri-State's rate.

#### 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 FERC matters, a potential new load, and personnel matters with the following in attendance: All directors present at the meeting, all staff present at the meeting, Manager Herman, and Attorney Williamson. It was properly moved, seconded, and carried to exit executive session.

#### PUBLIC COMMENT

There was no Public Comment.

#### ADJOURNMENT

There being no further business to come before the meeting, the meeting adjourned at 2:16 p.m.

  
\_\_\_\_\_  
SECRETARY

  
\_\_\_\_\_  
PRESIDENT