

HIGHLINE ELECTRIC ASSOCIATION  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
June 16, 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 June 16, 2022.

ROLL CALL

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

Mike Bennett	Brad Stromberger
Ted Carter	Merl Miller
Jim Lueck	Pam Stieb
Merlin Prior	Aaron Sprague
David Carlson	

Director Leo Brekel attended via video conference. Director Steve Oestman was absent. Manager Dennis Herman and Attorney Levi Williamson were present in person. Staff members Jim Jackson, Rance Ferguson, and Tadius Huser were present in person. Staff members Elise Pocock and Alex Astley attended via video conference. Attorney Levi Williamson recorded the minutes of the meeting.

AGENDA APPROVED

The agenda was approved as presented.

MINUTES APPROVED

The minutes of the May 19, 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 May 2022. Herman presented the Ormat Report. Highline recognized savings of \$3,426.86 through May.

The Board voted at the May Board meeting to revise Policy 2-13 to allow employees to draw on the bank when the employee has 40 hours or less of leave time available. Herman reported that after investigation he recommends not implementing the change due to the risk of non-compliance with IRS rules.

Manager Herman asked the Board to move the July and August Board meetings due to schedule conflicts. It was properly moved, seconded, and carried to hold the regular meeting of the Board of Directors on July 28, 2022 and August 24, 2022.

The USDA approved \$1.8 million in REDL&G funding for the Haxtun Hospital District.

Herman presented the initial draft of a Director Attendance Policy for the Board to consider.

Pursuant to SB21-272, the Colorado PUC is considering rules to require the commission, when considering any matter before the commission, to improve equity for, minimize impacts on, and prioritize benefits to disproportionately impacted communities. As part of the rulemaking process, a PUC workgroup presented a map showing many disproportionately impacted communities in HEA's service territory.

Brad Stromberger reported on issues related to the Prewitt Reservoir, Lower South Platte Water Conservancy District, and the Parker water project.

Herman presented a summary of the results of Employers Council's cost-of-living wage adjustment survey.

#### OPERATIONS AND SAFETY REPORT

Rance Ferguson presented the Operations and Safety Report. He reported on system damage caused by summer storms, copper thefts at neighboring utilities, safety training, and personnel.

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 energy, the revolving loan fund, and the status of the EV charging station.

#### ENGINEERING REPORT

Alex Astley presented the Engineering Report. Astley reported on engineering, IT, metering, staking, communications projects, and personnel. Astley reported on the status of the Atwood Substation and Summit Springs communications tower projects. Astley presented the May load control report.

#### CORPORATE SERVICES REPORT

Jim Jackson presented the Corporate Services Report. Jackson presented CFC Commercial Paper Investments as of May 30, 2022. Highline paid \$3,210.63 in fees on \$233,072.12 worth of credit card payments in May. Jackson reported on an increase in the Chase County, NE real property tax valuation. Jackson presented the Form 7, cash flow report, and check register.

#### CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Policy 1-12 Insurance and Bonds (no recommended revisions)
- b. Policy 1-14 Financial Instruments (no recommended revisions)
- c. Safety Committee Report
- d. New Members and Membership Refunds
- e. Subordination Agreements or Release of Liens
- f. Estate Capital Credit Refunds

The Consent Agenda was approved by unanimous consent.

#### STERLING TRANSMISSION LINE CONTRACT AWARD

Alex Astley and Elliot Jones presented a summary of bids received for the Sterling transmission line project. It was properly moved, seconded, and carried to accept the bid from Altitude Energy, which was the low bid.

#### RLF RESOLUTION

The Board reviewed the resolution to loan RLF funds to The Big Easy Inc. It was properly moved, seconded, and carried to approve the resolution, replacing "Corporation" with "Association".

#### DONATIONS

Manager Herman recommended donating \$1,950 each to the Holyoke Community Childcare Initiative and the Republican River Water Conservation District. Highline would apply for CoBank matching funds to increase each donation to \$5,850.

It was properly moved, seconded, and carried to donate \$3,900 total to the entities, with matching funds directed to Because. Aaron Sprague abstained from the vote.

It was properly moved, seconded, and carried to divide the \$3,900 and matching funds evenly between the two entities. Aaron Sprague abstained from the vote.

#### NREA GENERAL MANAGER

Manager Herman reported that NREA is considering several options for its new General Manager, including sharing a General Manager with a member utility. Herman and Merlin Prior reported on the options and asked for input from the Board.

#### HEADQUARTERS PARKING LOT REPAIR

Manager Herman presented two bids for the repair of the headquarters' parking lot. Herman recommended accepting the bid from Koellner Enterprises. Koellner was awarded the bid for the adjacent street. It was properly moved, seconded, and carried to accept the bid from Koellner Enterprises.

President Bennett recessed the meeting at 11:57 a.m. and reconvened the meeting at 12:58 p.m.

#### TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Tri-State had 759 MW of utility-scale wind and solar capacity in April. Brekel reported on Tri-State's financials through April. Tri-State implemented a strategic reorganization that included a 3% reduction in the workforce, including a 30% reduction in the executive team. Brekel reported on the status of re-assignment of non-networked transmission assets among Tri-State members.

#### CREA

Jim Lueck reported on his attendance at the regular meeting of the CREA Board of Directors. CREA is considering whether to propose a resiliency bill at the Colorado legislature.

#### WUE

Ted Carter reported that there was no meeting of the Western United Electric Board of Directors. Sales and back orders are up.

TRI-STATE RATE COMMITTEE

Manager Herman reported on his attendance at the meeting of the Tri-State Rate Committee. Most of the committee members are in favor of revising the tilt in the rate to the FERC approved rate. This would increase Highline's cost of power. The committee also discussed how to measure and bill demand charges. Herman reported that the re-assignment of non-networked transmission assets will reduce Highline's cost of power.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

EXECUTIVE SESSION

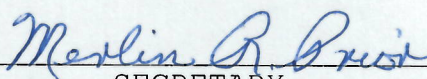
It was properly moved, seconded, and carried to go into executive session for confidential discussion regarding insurance, FERC matters, and a potential new load, with the following in attendance: All directors present at the meeting, all staff present at the meeting, Manager Herman, and Attorney Williamson. 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 1:52 p.m.

  
SECRETARY

  
PRESIDENT