

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
March 18, 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 March 18, 2022.

ROLL CALL

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

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

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 revised and approved as revised.

MINUTES APPROVED

The minutes of the February 17, 2022, regular meeting of the board of directors were presented. The minutes were revised to delete an extra word and were approved as revised.

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 February 2022.

CREA LEGISLATIVE UPDATE

Tim Coleman, CREA Manager of Legislative Affairs, updated the Board on happenings at the Colorado state legislature.

MANAGER'S REPORT

Herman continued his report. The discount rate for early retirement of Highline Electric capital credits will stay the same for 2022. Herman reported that 32 Tri-State members co-signed and sent a letter to Tri-State expressing their support for Tri-State as their primary power supplier. NRECA failed to pass a resolution supporting federal funding of stranded coal assets.

Herman presented a summary of donations made by Highline to area 4-H Councils, fire departments, and FFA chapters. Highline donated a total of \$3,600 to the entities in 2021. Tri-State will donate \$1,000 to 4-H Councils and fire departments. CoBank will match Highline's donations to the FFA chapters. Basin will match

donations to the fire departments. It was properly moved, seconded, and carried to approve donations as presented by Herman.

Herman asked if the Board would like to donate to the Holyoke Volunteer Fire Department through the Because Foundation, a local non-profit. Utilizing Because allows us to apply for matching funds from Tri-State, Basin and CoBank. It was properly moved, seconded, and carried to donate \$500.00 to the Holyoke Volunteer Fire Department through the Because Foundation.

Herman reported that he would like to trade his Highline vehicle in for a more efficient vehicle and that he would like to own the vehicle himself, with Highline paying him a vehicle allowance. Herman will bring a more specific proposal to the Board at a future meeting.

Herman presented the CAMU survey of electric rates. He reported that Western United will no longer be a member of ERMCO after ERMCO eliminates Western's membership classification.

OPERATIONS AND SAFETY REPORT

Rance Ferguson presented the Operations and Safety Report. He reported on substation testing, pole testing results, status of the tree trimmer contract, and training.

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, and preparations for the Highline Annual Meeting.

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 and the Summit Springs communications tower.

CORPORATE SERVICES REPORT

Jim Jackson presented the Corporate Services Report. Jackson presented CFC Commercial Paper Investments as of February 28, 2022. Highline paid \$2,789.57 in fees on \$218,952.82 worth of credit card payments in February. Jackson presented the Form 7, cash flow report, and check register.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Policy 1-8 Safety(no recommended revisions)
- b. Policy 1-10 Use of Association Owned Vehicles (no recommended revisions)
- c. Policy 5-1 Contributions (no recommended revisions)
- d. Safety Committee Report
- e. New Members and Membership Refunds
- f. Subordination Agreements or Release of Liens
- g. Estate Capital Credit Refunds

The Consent Agenda was approved by unanimous consent.

DIRECTOR KINNISON RESIGNATION

Director David Kinnison announced his resignation as a director, effective immediately. Kinnison left the meeting.

POLICY 6-5 NET METERING

General Manager Herman presented revised Policy 6-5. It was properly moved, seconded, and carried to approve the Policy as presented.

REMOTE ATTENDANCE AT BOARD MEETINGS

General Manager Herman led a discussion regarding remote attendance at board meetings. The Board directed staff and attorney Williamson to draft a policy allowing directors to attend board meetings remotely, with no limitations.

REVOLVING LOAN FUND APPLICATIONS

The Board considered two applications for loans from the Revolving Loan Fund.

It was properly moved, seconded, and carried to loan \$76,760.00 to Long Hair Tree Care, LLC.

It was properly moved, seconded, and carried to loan \$80,000 to AJ McCauley Properties contingent on the borrower obtaining collateral through the Cash Collateral Support program and contingent on General Manager Herman's final approval.

President Bennett recessed the meeting at 12:07 p.m. and reconvened the meeting at 12:59 p.m.

Mike Bennett and Aaron Sprague left the meeting. Jim Lueck presided.

EXECUTIVE SESSION

It was properly moved, seconded, and carried to go into executive session for confidential discussion regarding a potential new load and FERC, with all staff and directors present at the meeting present. It was properly moved, seconded, and carried to exit executive session.

TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Tri-State hired a consultant to advise on cost cutting measures. Tri-State plans to close the Rifle, CO natural gas fired generation plant. Tri-State must obtain approval from the Colorado PUC.

It was properly moved, seconded, and carried to appoint Merlin Prior as Highline's delegate and Pam Stieb as the alternate to the Tri-State Annual Meeting.

Dennis Herman reported on his attendance at the Tri-State Rate Committee meeting. The committee received an updated cost-of-

service study. The cost-of-service study reflects a split of 50% energy and 50% demand, compared to the current split of 55% energy and 45% demand. The accepted FERC methodology results in a 70/30 split with Tri-State's cost structure.

NREA

Merlin Prior reported on Nebraska legislation that would affect utilities.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

PUBLIC COMMENT

There was no Public Comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 2:00 p.m.



SECRETARY



PRESIDENT