

HIGHLINE ELECTRIC ASSOCIATION  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
October 20, 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 October 20, 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	Pam Stieb
Brad Stromberger	

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 approved as presented.

MINUTES APPROVED

The minutes of the September 15, 2022, regular meeting of the board of directors were presented. The minutes were approved as presented.

EMPLOYEE WAGE COMMITTEE

Employees Luke Bracelin, Carson Ebke, Elliot Jones, and Jace Rhodes entered the meeting. The employees presented information regarding inflation and statewide electric cooperative wages. The employees asked for a 10% wage increase and to be paid double-time for all overtime worked. The employees left the meeting.

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 September 2022.

Aaron Sprague reported on RRWCD matters. Herman reported that the ALJ in the FERC Tri-State CTP matter mostly adopted the FERC staff economist's approach. Herman presented a summary of Highline's FERC legal bill. Xcel plans to introduce a resource adequacy bill in the next Colorado legislative session. Herman supports resource adequacy requirements and recommends joining a group of co-ops, including PVREA and MVEA, in lobbying in favor of the bill. There would be no cost to Highline.

It was properly moved, seconded, and carried to take a support position on the resource adequacy bill.

Herman reported that the Master Irrigator Program clarified their request. The program is asking for a three-year commitment from Highline to sponsor one irrigation audit each year. In support of the program's grant request, Herman sent a letter committing Highline to sponsoring one irrigation audit per year for three years.

Herman reported that an Employer's Council survey shows that most Colorado businesses are sharing the cost of the FAMILI premium with employees. Federated anticipates a 20-25% premium increase for Highline's 2023 insurance policies.

Herman reported that the Utilismart meter data management system has not performed as well as expected. The software was implemented in November 2018 with an anticipated useful life of seven years. Herman requested authority to depreciate the remaining book value of the software in 2022.

It was properly moved, seconded, and carried to accelerate the remaining depreciation on the Utilismart meter data management system in 2022.

#### OPERATIONS AND SAFETY REPORT

Operations Manager Rance Ferguson presented the Operations and Safety Report. The Amherst and Amitie substations were switched from east side to west side. Ferguson reported on annual switching training, substation testing, and crew activities.

Ferguson presented the outage report and safety committee report. There was one accident.

#### MEMBER SERVICES REPORT

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

#### 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, Atwood substation project, and the Fritzler monopole. Astley also reported on load control for September.

#### CORPORATE SERVICES REPORT

Corporate Services Manager Jim Jackson presented the Corporate Services Report. Jackson presented CFC Commercial Paper Investments as of September 30, 2022. Highline paid \$3,527.04 in fees on \$226,974.93 worth of credit card payments in September. Jackson presented the Form 7, cash flow report, and check register. Jackson reported that he plans to change Highline's third-party bill printing service.

#### CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Policy 2-8 (no recommended revisions)

- b. Policy 2-9 (no recommended revisions)
- c. Policy 2-14 (no recommended revisions)
- 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.

Attorney Williamson informed the board of a conflict of interest related to an estate refund to be considered by the Board at a future meeting. Williamson presented a consent to conflict. It was properly moved, seconded, and carried to authorize General Manager Herman to execute the consent to conflict.

#### REDL&G

General Manager Herman provided an update of the Haxtun REDL&G application.

#### VEHICLE PURCHASE

General Manager Herman reported that the 2022 budget included \$38,000 for an F-150 Lightning pickup. Highline has not purchased a Lightning in 2022. After trade-in, the net cost of a Lightning will be approximately \$37,389. It was properly moved, seconded, and carried to purchase the Lightning on the terms presented.

#### EMPLOYEE LEAVE BANK

General Manager Herman presented revised Policies 2-2 and 2-13. The revised policies allow employees to donate accrued CAT time, in excess of 960 hours, to the leave bank at full value and without matching the donation with the employee's unused PTO time. It was properly moved, seconded, and carried to approve the policies as presented. It was properly moved, seconded, and carried to further revise Policy 2-2 by deleting "twice" in Section 3.B.II.c.

President Bennett recessed the meeting at 12:10 p.m. and reconvened the meeting at 1:03 p.m.

#### 2023 PRELIMINARY BUDGET

The Board reviewed and discussed the preliminary 2023 budget.

#### TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. The Tri-State Board authorized lowering the minimum DSR for 2022. Member electric sales were 7% more than budget in August. Non-member sales were 33% lower than budget. Tri-State's net margin through August is a negative \$69 million. Tri-State had budgeted for a positive margin of \$21 million.

#### WESTERN UNITED

Ted Carter presented financials for Western United Electric.

#### NRECA REGION VII MEETING

Dennis Herman and Jim Lueck reported on their attendance at the NRECA Region VII meeting.

#### TRI-STATE RATE COMMITTEE

General Manager Herman reported on his attendance at the Tri-State Rate Committee meeting. The committee continues to discuss what the proper "tilt" should be.

#### MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

#### MEETING DELEGATES

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 appoint Leo Brekel as Highline's delegate and Merlin Prior the alternate to the NREA Annual Meeting.

It was properly moved, seconded, and carried to appoint Dennis Herman as Highline's delegate to the Mid-West Electric Consumers Association Annual Meeting.

#### EXECUTIVE SESSION

It was properly moved, seconded, and carried to go into executive session for confidential discussion regarding wage and benefits, 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.

It was properly moved, seconded, and carried to increase employees' wages by 7%.

#### PUBLIC COMMENT

There was no Public Comment.

#### ADJOURNMENT

There being no further business to come before the meeting, the meeting adjourned at 3:33 p.m.

  
\_\_\_\_\_  
SECRETARY

  
\_\_\_\_\_  
PRESIDENT