

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
September 15, 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 September 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	Pam Stieb
Brad Stromberger	

Manager Dennis Herman and Attorney Levi Williamson were present in person. Staff members Jim Jackson, Rance Ferguson, 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 August 24, 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 August 2022.

Herman presented the CAMU survey of rates. Herman reported that there will likely be a bill proposed at the Colorado Legislature in 2023 increasing resource adequacy requirements for certain utilities in Colorado. ORMAT notified HEA verbally that they will be dismantling their power generation facility at the pumping station. The CEO of the Colorado Solar & Storage Association believes that the leadership in the Colorado Senate will propose legislation in 2023 similar to California's legislation implementing 100% rooftop solar or Massachusetts' Clean Peak legislation. Highline will donate a golf outing for four to Ballyneal to the CARE auction. Manager Herman is investigating private short-term disability benefits in place of the Colorado FAMILI program. Authorities have arrested a suspect in the substation copper wire thefts. Manager Herman presented a summary report of FERC legal expenses. HEA has donated \$300 to the Master Irrigator program in the past. Herman reported that the program has requested an increase in the donation.

It was properly moved, seconded, and carried to donate \$1,000 to the Master Irrigator program and to authorize Manager Herman to

determine the donation amount and to specify how the funds are to be used.

OPERATIONS AND SAFETY REPORT

Operations Manager Rance Ferguson presented the Operations and Safety Report. He reported on the RESAP evaluation results, the Federated safety & loss control visit, infrared substation inspections, and crew activities.

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

MEMBER SERVICES REPORT

The Board reviewed the Member Services Report as prepared by Member Services Manager Tadius Huser.

ENGINEERING REPORT

Engineering Manager Alex Astley presented the Engineering Report. Astley reported on engineering, IT, metering, staking, and communications projects. There was a break-in at the Ovid communications tower, but there was no apparent theft. Astley updated the board on the Sterling to West Plains Transmission Line project and the AMI-Fritzler monopole. Astley also reported on load control monitoring and implementation. Astley reported on three bids received for a cyber security audit. He will add this to the 2023 HEA budget.

CORPORATE SERVICES REPORT

Corporate Services Manager Jim Jackson presented the Corporate Services Report. Jackson presented CFC Commercial Paper Investments as of August 31, 2022. Highline paid \$3,447.51 in fees on \$227,804.48 worth of credit card payments in August. Jackson presented the Form 7, cash flow report, and check register.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Policy 1-20 (no recommended revisions)
- b. Policy 2-5 (no recommended revisions)
- c. Policy 2-6 (recommended revisions)
- d. Safety Report
- e. New Members and Membership Refunds
- f. Subordination Agreements or Release of Liens
- g. Estate Capital Credit Refunds

Attorney Williamson recommended that one estate refund application be removed. The Safety Report was removed from the consent agenda. The Board will continue to review the report as presented by staff each meeting. The revised Consent Agenda was approved by unanimous consent.

Attorney Williamson presented an estate refund application for approval pending completion of the applicant's small estate affidavit. It was properly moved, seconded, and carried to approve the application pending completion of the small estate affidavit.

POLICY 2-2

General Manager Herman presented revised Policy 2-2. It was properly moved, seconded, and carried to approve Policy 2-2 as presented.

POLICY 6-3 AND INTERCONNECTION TARIFF

General Manager Herman presented revised Policy 6-3 and revised Interconnection Tariff. It was properly moved, seconded, and carried to approve Policy 6-3 and Interconnection Tariff as presented.

RULES & REGULATIONS

General Manager Herman presented revisions to HEA's Rules & Regulations. It was properly moved, seconded, and carried to approve the revised Rules and Regulations as presented.

TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Tri-State established a new all-time member peak of 3,071 MWS on July 17, 2022. Tri-State's margins through July are negative \$72 million. Tri-State continues to engage in settlement negotiations regarding the CTP FERC docket.

WESTERN UNITED

Ted Carter reported on his attendance at the regular meeting of the Western United Electric Board of Directors. Western United continues to set new records for sales. Transformers are still two years out for delivery due to supply chain constraints. The St. George warehouse is up and running. Western United will remain with ERMCO.

NREA

Merlin Prior reported on his attendance at the regular meeting of the NREA Board of Directors. New CEO Rick Nelson recently started at NREA. Prior reported on NRECA resolutions.

TRI-STATE RATE COMMITTEE

Manager Herman reported on his attendance at the meeting of the Tri-State Rate Committee. The majority of the meeting concerned the amount of "tilt" in the rate and whether to establish a formula rate.

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 insurance 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.

President Bennett recessed the meeting at 12:10 p.m. and reconvened the meeting at 1:00 p.m.

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 adjourned at 1:17 p.m.



SECRETARY



PRESIDENT