



**HIGHLINE**  
**ELECTRIC ASSOCIATION**

Your Touchstone Energy® Partner 

# 2021 Officer Reports

**President's Report**

**Tri-State Report**

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## **President's Report by Mike Bennett**

As I write this report, I am pleased to tell you Highline Electric had another good year. On behalf of the board and staff, we welcome you and hope you enjoy your afternoon with us, celebrating eighty-three years of providing electricity to you, our friends and neighbors. Your support and participation is valuable and I would like to thank all of you for taking time from your busy schedules to be here.

Four director positions are up for election this year from each of Highline's four districts. The incumbent directors from each of the districts have submitted their petitions for re-election along with a challenger for District #3. Therefore, an election will be held by mail-in ballot only.

Highline's operating margins for 2020 were \$ 1,800,000 above budget. This year's irrigation season provided better than budget margins while sales to our compression load member were down. The board once again agreed to return capital credits. General capital credits totaling \$ 2,745,833 were returned and special retirements totaling \$291,227 were also retired to estates. The board is very happy to announce that there will be no rate increase for 2021.

Energy efficiency programs will continue to be offered at Highline for 2021. If you are considering new LED lighting, purchasing new appliances, outdoor power equipment, heating/cooling systems or new electric motors, contact the Highline office and find out what it takes to become eligible for the many rebates that are available.

With the assistance of Tri-State, Highline continues to donate to the 4-H councils and the fire departments within our service territory. Scholarships each year are also provided to many recipients for the continuation of their education beyond high school.

2020 was a very busy year for Highline's line crews, engineering and office staff. Constructing many new services, maintaining the current facilities and managing the daily affairs of the company is an ongoing process.

Keeping Highline's system reliable, efficient and providing electricity 24/7, 365 days a year is a daunting task. We, the board, are proud of the work Highline's employees do to accomplish this for you, our members. Should you have any questions about this evening events or anything else, don't hesitate to contact Highline's office or one of your Board members. Once again thank you for your support and for attending this meeting.

## **Tri-State Report by Leo Brekel**

Tri-State experienced a very different and challenging year during 2020. COVID-19 was a big part of the challenges. In March, the office in Westminster was essentially shut down for nearly the remainder of the year. Many employees worked from home. Those who needed to be in the office were separated to operate the critical functions that could only take place at the office. Travel had to be absolutely essential before it was approved. As 2020 concluded and 2021 began, employees have started their return to the office. As vaccines continue, we may get back to some normalcy by the summer.

The monthly board of directors meetings were held via conference calls. This was particularly difficult during strategic planning sessions which are part of two meetings each year. As I mentioned last year, a contract committee had been meeting to review the all-requirements contract and decide if any changes were appropriate. These meetings ceased, however we did approve some recommendations from the committee. During an "open season" members can indicate if they are interested in generating some of their own electricity—becoming a partial requirements member. Partial requirements members will need to keep all other members whole when exiting a portion of their all-requirements contract. Tri-State is awaiting approval from the Federal Energy Regulatory Commission (FERC) on some of this before beginning to hold an "open season".

Delta Montrose Electric exited its Tri-State membership at the end of June. The remaining members of Tri-State were kept whole by Delta Montrose making a significant payment.

Several other members are asking for numbers to possibly facilitate their exit. FERC approvals are needed on some of these issues. Certainly Tri-State wants to keep all members. There will be more to come about this.

The Responsible Energy Plan at Tri-State is moving forward. As you know, the Colorado Legislature passed legislation that requires reduction of greenhouse gases. The ultimate requirement is 90% reduction by 2050. In addition, the New Mexico Legislature passed a bill requiring 0 carbon emissions by 2050. The generation portfolio will change a lot during the next ten years. Renewables will need to be more common in order to achieve these requirements.

During 2020, Tri-State met all financial requirements and board goals. We will allocate a \$25 million margin. The debt services ratio (DSR) is met each year. The equity to capitalization ratio (ECR) is a bit ahead of requirements. Our credit ratings at the three major credit rating agencies remain good. Tri-State is in excellent financial condition.

2021 will be loaded with challenges. Re-populating the office will be a good start. People operating the generation plants and transmission lines have performed very well throughout the pandemic. Our hats are off to them. Again, I really look forward to continuing to represent Highline and all of you, our member/owners at Tri-State. Should you have questions or comments, please contact the Highline office or me.

## **Western United Report by Ted Carter**

In 2020, Highline Electric accounted for just over \$1M in sales from Western United, nearly doubling the total from 2019. Western United works diligently to ensure they are supporting Highline Electric's material needs and have increased their inventory by 23% this past year to make certain they have the products we needed in stock and the availability to be delivered weekly on their company owned fleet.

It is also Western United's commitment to be the best possible value available by providing patronage on all purchases made by Highline Electric. In 2020, Western United issued \$60K in new patronage certificates and retired 100% of the fiscal year 2012 and 2013 patronage as well as 20% of FY2020 certificates. In total, \$100K was returned to Highline Electric in cash throughout the year.

Western United is also more than just a distributor to Highline Electric as their test lab cleans, tests and recertifies all of Highline's linemen's rubber safety products. We are also pleased to report the addition of Anthony Cic to the Western United Outside Sales team. Anthony is an experienced utility sales representative with over 22 years in the industry and has begun serving Highlines needs earlier in 2020. Anthony and his wife Carol Cemer-Cic own a ranch in Sterling, Colorado where they spend as much time as possible.

On behalf of the entire Western United staff we wish to thank Highline Electric and its members for the continued support and for investing in the company that you own. Western United Electric Supply has always been in business for the purpose of serving its members, not to make a profit. This makes Western United Electric Supply a unique and valuable asset for all of its cooperative members.

## **Colorado Rural Electric Association Report by Jim Lueck**

It has been a year now since I wrote my 2020 CREA report. The pandemic has changed the way we do business, has destroyed businesses and altered our "normal" lives.

The bedrocks of our communities, our churches and schools have had to adapt to the new normal with online classes and internet church services.

Highline Electric, CREA and Tri-State all adopted internet meetings to continue board operations as normally as possible.

The Colorado Legislature convened January 13th to swear in new legislators. Several urgent bills were presented to facilitate issues related to Covid-19 and then the legislature recessed until February.

The Legislature reconvened on February 16th. As this report is being written, some bills rumored to be presented deal with the following that could impact electric co-ops:

- Wildfire Legislation
- Vegetation management relating to right of ways for power lines
- Greenhouse gas pollution and the increasing increments to reduce the carbon footprint

At this time, the recommendation of the governor and environmental groups is to increase the amount of renewable energy requirements to 26% by 2025, 50% by 2030 and 90% by 2050.

The arctic blast should be a reminder that all political bets mandating renewable energy are off when mother nature takes control.

Texas is a unique grid to start with, but is a good example, along with California this past summer, that without dependable baseload electricity there are going to be consequences.

Maybe the voices telling our politicians to slow down the green new deal will come from people other than the industry experts.

Finger pointing always occurs when a big event happens. The adage of one finger pointing outward and four pointing back might give us all an idea that you get what you ask for on occasion.

Now is the time to contact the legislators to remind them that a responsible energy plan is paramount with ALL energy sectors included.

Reliability, dependability and affordability have been the mantra for HEA for years and continue as such.

Thank you for the opportunity to serve on the Highline Board of Directors and the CREA Board.

Please continue reading and supporting the Colorado Country Life magazine.

Wishing you a safe and interesting 2021.

## **Nebraska Rural Electric Association Report by Merlin R. Prior**

Highline Electric Association's territory consists of rural consumer-members in northeast Colorado as well as a significant number of consumer-members in southwest Nebraska, including irrigation load. With this diverse load in Nebraska, we are a member of the Nebraska Rural Electric Association, made up of 34 Nebraska rural electric systems which work cooperatively to make sure we continue to have affordable, reliable and safe electricity. Constant monitoring of state and federal regulations, the US Congress and Nebraska legislature is necessary, along with a watchful eye towards what is happening and how it will affect our ability to keep the power available 24/7. Many new, innovative ideas, new senators and representatives and perceived new sources of electric power through renewable energy projects are constantly being put before our systems' boards as better than what we traditionally have depended on. Sorting out the most reliable, economical and best combination of projects for the growing power needs and consumers' preferences is challenging. The choices must work for our co-op, its members and the system as a whole for long term dependability.

The NREA staff and member systems strive to maintain strong relationships with state and federal elected representatives, as well as state regulators, so we can provide them with reliable information to make sound decisions that will preserve our rural power systems.

One of the challenges deals with net metering of new renewable power generated by consumers wanting to sell extra generated power back to their power provider. This creates inequities for the rest of the consumer-members. Education is needed to discuss the fairness and use of existing infrastructure built to supply power to the HEA system. NREA is striving to develop ways to accomplish these educational needs with the consumers and legislative members by using the Working for Nebraska video programs. This effort is to provide important details for understanding the principles involved. Nebraska is presently one of the top states in the US for the lowest economical rates and most reliable electrical grid systems. I encourage you to go to the HEA website to view informative videos which can help you better understand issues and services we provide. Please contact HEA with questions you don't find answers to.

HEA and NREA are committed to excellence in providing electric services safely, efficiently and economically for you, our consumer-members. The NREA will continue to provide association services, training and monitoring of legislative and regulatory initiatives that affect Nebraska rural electric systems.

I want to thank the HEA members for allowing me to represent you on the HEA Board of Directors and the opportunity to represent HEA on the NREA Board of Directors.

Thank you for attending this year's annual report and your support of HEA.

## Employees

### Holyoke

Robie Adams  
Eric Anderson  
Alex Astley  
JT Baker  
Jerry Banaka  
Jill Baumgartner  
Ryan Bingham  
Luke Bracelin  
Bob Bradley  
Kris Camblin  
Dustin Carrick  
Steve Deaver  
Jason Depperschmidt  
Deanna Deselms  
Jason Doleshall  
Morgan Eurich  
Rance Ferguson  
Joanie Groshans  
Mark Harshbarger  
Jessie Heath  
Dennis Herman  
Barb Holtzman  
Tadius Huser

Jim Jackson  
Ben Kafka  
Dan Kafka  
Tammy Kroeger  
Tom Kropp  
Eric Luedke  
Josh Martin  
Matt McCabe  
Elon Nelson  
Melissa Nelson  
Elise Pocock  
Derek Roberts  
Imer Rodriguez  
Nick Saylor  
Landon Shaffer  
Tracy Simpson  
Deon Skomp  
Justin Wert  
James Ziebarth

### Ovid

Seth Baker  
Jeff Blochowicz  
Carson Ebke  
Mendi Lutze  
Jeff Pocock

### Sterling

Karson Harryman  
Joni Kinney  
Darrin Manuella  
Chris McKay  
Matthew Miller  
Jeff Poe  
Jace Rhodes

