

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
January 22, 2021

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 January 22, 2021.

ROLL CALL

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

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

Directors present via videoconference were:

Jim Lueck

Manager Dennis Herman was present in person and Attorney Levi Williamson was present via videoconference. Staff members Alex Astley, Tadius Huser, Jim Jackson, and Rance Ferguson were also present via videoconference and presented reports in person. Attorney Williamson recorded the minutes of the meeting.

AGENDA APPROVED

The Agenda was approved as presented.

MINUTES APPROVED

The minutes of the December 17, 2020 meeting were approved as presented.

MANAGER'S REPORT

Manager Herman presented the Manager's report. He presented graphs of kWh Purchased, kWh Sold, Expenses, Operating Margins, and Cash & Investments through December 2020.

It was properly moved, seconded, and carried to go into executive session for confidential discussion regarding confidential member information, potential litigation, and Tri-State regulatory and litigation matters, with the following in attendance: All Directors and staff present at the meeting, Manager Herman, and Attorney Williamson. Leo Brekel left the meeting during executive session for discussions regarding FERC CTP settlement proceedings. It was properly moved, seconded, and carried to come out of executive session.

Brekel reentered the meeting.

Herman reported that Tri-State offered a 2% rate reduction in the FERC stated rate docket as an offer of settlement. Herman reported that as part of cost saving measures, Tri-State will no longer pay members' membership in Basin, Touchstone Energy, and the Cooperative Research Network (CRN). Herman reported on benefits of Basin class C membership. Herman believes the benefits of

membership in Basin and Touchstone justify the \$22,000 annual cost. Membership in CRN is compulsory with membership in NRECA.

It was properly moved, seconded and carried to continue membership in Basin Electric and Touchstone Energy.

Herman reported on COVID-19 related issues. He reported on issues related to the HEA phone system and HEA's third party billing company. Herman reported that he would like to hire an engineering student as an intern for the summer to complete CAD work. The consensus of the Board is to move forward with the internship. Herman reported that XCEL has proposed a transmission project on the eastern plains of Colorado.

OPERATIONS REPORT

Rance Ferguson presented the January Operations Report. He reported on system damage due to windstorms. He reported on substation switching for Tri-State maintenance, HEA annual testing, and line crew activities.

Ferguson presented the Safety Committee Report and reported on safety training. There were no accidents. Ferguson presented the outage report.

MEMBER SERVICES REPORT

Tadius Huser presented the January Member Services Report. He reported on rebates, new services, the Tri-State Tesla, member solar projects, the EV Charging Station progress, and Revolving Loan Fund loans.

ENGINEERING REPORT

Alex Astley presented the January Engineering Report. He updated the board on system maintenance, software implementation, internet outages, deployment of Highline's AMI system, staking, and mapping. Astley reported on the progress with new reclosers in the Wages and Wauneta areas, SCADA computer upgrade, and the HEA-YW microwave network link. He reported on the status of the AMI communications towers. He also updated the board on the Interstate Substation upgrades, phone system issues, and integration of HEA's new server.

CORPORATE SERVICES REPORT

Jim Jackson presented the January Corporate Services Report. Jackson reported on CFC Commercial Paper and Select Note Investments as of December 30, 2020. Highline has a deferred revenue balance of \$700,000.00 as of December 30, 2020. Highline paid \$2,568.81 in fees on \$192,816.15 worth of credit card payments in December. Jackson reported on the solar project with Highline Services and presented Highline Services' financials. Jackson presented the Form 7, cash flow, and check register.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. HEA Policy Review
 - Policy 2-13 Leave Donation Bank
 - Policy 5-2 Communications
 - Policy 6-7 Consumer Loan Program

- b. Safety Committee Report
- c. New Members and Membership Refunds
- d. Subordination Agreements or Release of Liens
- e. Estate Capital Credit Refunds

The items on the Consent Agenda were approved by unanimous consent, contingent on legal approval of estate capital credit refunds, subordination agreements, and releases of liens.

ANNUAL MEETING RECORD DATE

It was properly moved, seconded, and carried to set March 1, 2021 as the record date for the 2021 Annual Meeting and election of directors.

INTERSTATE SUBSTATION CONSTRUCTION CONTRACT APPROVAL

Alex Astley reviewed the proposed construction at the Interstate Substation. He submitted seven bids for the construction. It was properly moved, seconded, and carried to accept the low bid from N-Line Electric, LLC in the amount of \$255,031.92.

President Bennett recessed the meeting at 12:07 p.m. for lunch and reconvened at 1:03 p.m.

DEFERRED REVENUE

It was properly moved, seconded, and carried to table discussion of deferred revenue to the next meeting.

SOLAR PROJECT

It was properly moved, seconded and carried to go into executive session to discuss a confidential solar project with the following in attendance: All Directors and staff present at the meeting, Manager Herman, and Attorney Williamson. It was properly moved, seconded, and carried to come out of executive session.

TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Tri-State is approximately \$20 million better than budget for 2020. Brekel reported on the California energy shortages. He reported on member requests for CTP calculations in the Tri-State CTP methodology FERC docket.

CREA

Jim Lueck reported that there was no regular meeting of the CREA Board of Directors. He attended a conference call as a member of the Legislative committee. He reported on potential legislation that would affect Highline.

WESTERN UNITED

There was no regular meeting of the Western United Electric Board of Directors. Western United's financials continue to be strong.

NREA

Merlin Prior reported on changes in representation on the NREA Board of Directors. Prior was appointed to the Legislative Committee.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

GENERAL MANAGER REVIEW

It was properly moved, seconded and carried to go into executive session to discuss the General Manager's performance evaluation with the following in attendance: All Directors present at the meeting, Manager Herman, and Attorney Williamson. Manager Herman left the meeting to allow the Board to discuss his review. It was properly moved, seconded, and carried to come out of executive session.

It was properly moved, seconded, and carried to increase General Manager's salary consistent with the terms discussed in executive session.

Herman reentered the meeting.

PUBLIC COMMENT

There was no Public Comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 3:18 p.m.



SECRETARY



PRESIDENT