

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
April 20, 2023

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 April 20, 2023.

ROLL CALL

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

Mike Bennett	Pam Stieb
Brad Stromberger	Merlin Prior
Lisa Schilke	David Carlson
Leo Brekel	Ted Carter
Jim Lueck	Aaron Sprague

Director David Carlson attended a portion of the meeting via video conference. Director Steve Oestman was absent.

Manager Dennis Herman and Attorney Bryson Fredregill were present in person. Staff members Jim Jackson, Rance Ferguson, Alex Astley, Elise Pocock, and Tadius Huser were present in person or via video conference. Attorney Bryson Fredregill recorded the minutes of the meeting.

AGENDA APPROVED

The agenda was revised with the addition of personnel as an executive session topic and the removal of "Review of the March 28, 2023, Annual Meeting Minutes." The agenda was adopted as revised.

ELECTION OF OFFICERS

Manager Herman and Attorney Fredregill conducted a secret ballot for the election of officers with the following results:

- Mike Bennett was elected President by unanimous nomination and acceptance of the position by Bennett.
- Jim Lueck was elected Vice President by unanimous nomination and acceptance of the position by Lueck.
- Merlin Prior was elected Secretary by unanimous nomination and acceptance of the position by Prior.
- Pam Stieb was elected Treasurer by unanimous nomination and acceptance of the position by Stieb.

MINUTES APPROVED

The minutes of the March 16, 2023, regular meeting of the board of directors were presented. It was properly moved, seconded, and carried to approve the minutes as presented.

The minutes of the March 28, 2023, meeting of the board of directors were presented. It was properly moved, seconded, and carried to approve the minutes 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 March 2023. Herman discussed variances from budget.

Stromberger reported that the North Sterling Reservoir was not yet full but anticipated it would be full by mid May.

Manager Herman sought the board's feedback on allowing paid time away for work on a community service project as part of a community service day. The board did not object and inquired into workers' compensation coverage for the activity.

David Carlson entered the meeting.

Herman reported that HEA employees will be converting to ten-hour days, four days a week, from May through September. Herman also reported on meeting conflicts, efforts to terminate the Ormat Power Purchase Agreement, the CFC Benefits of Ownership Report, staff awards for CCL content, pole sourcing challenges, and station service for a solar project.

OPERATIONS AND SAFETY REPORT

Operations Manager Rance Ferguson presented the Operations and Safety Report. He reported on the status of the transmission line north of the Sterling office, substation operation and maintenance, vehicle acquisition, high voltage trailer demonstrations, personnel, and crew activity.

Ferguson presented the Safety Report. There were no accidents in March. He also presented the outage report.

MEMBER SERVICES REPORT

Member Services Manager Tadius Huser presented the Member Services Report. He discussed new services, rebates, renewable systems, RLF loan activity, EV charging station activity, and the annual meeting summary.

ENGINEERING REPORT

Engineering Manager Alex Astley presented the Engineering Report. He reported on projects in the engineering, IT, metering, staking, and communications departments. Astley reported on large projects, including repair of the Iliff substation transformer, the Sterling-West Plains Transmission Line rebuild, and the Atwood Substation.

CORPORATE SERVICES REPORT

Corporate Services Manager Jim Jackson presented the Corporate Services Report. Jackson presented CFC Commercial Paper Investments as of March 31, 2023. Highline paid \$3,674.13 in fees on \$294,084.69 worth of credit card payments in March. Jackson presented the Form 7, cash flow report, and check register.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Policy 3-8 Refund Policy
- b. Policy 8-1 Preferred Conductor Types and Sizes
- c. Policy 8-2 Preferred Distribution Transformer Types and Sizes
- d. Safety Committee Report Approval
- e. New Members and Membership Refunds
- f. Subordination Agreements or Release of Liens
- g. Estate Capital Credit Refunds

A membership estate refund request was pulled from the consent agenda on Attorney Fredregill's recommendation.

The Consent Agenda was approved by unanimous consent.

ESTATE CAPITAL CREDIT REFUNDS CONTINUED

The application for an estate refund previously removed from the Consent Agenda was approved contingent on the provision of additional documentation.

2024 ANNUAL MEETING DATE AND DATE OF RECORD

Herman presented a proposed 2024 Highline Electric Association Annual Meeting date of March 26, 2024, and a proposed date of record for said meeting of February 26, 2024. It was properly moved, seconded, carried to adopt March 26, 2024, as the date of the 2024 Highline Electric Association Annual Meeting with February 26, 2024, as the date of record for said meeting.

2023 ANNUAL DONATIONS

Herman presented a proposed 2023 donation program, which included fire departments, 4-H clubs, FFA Chapters, and BeCause. The program yields a combined total of \$13,800 in annual donations and matching donations from HEA, Tri-State, CoBank, and Basin. It was properly moved, seconded, and carried to approve the 2023 donations program as presented.

APPROVAL OF CHANGES TO RULES AND REGULATIONS

Herman reported that HEA received no objections to amendments to the HEA Rules and Regulations following publication of notice of said amendments. It was properly moved, seconded, and carried to adopt the revised Rules and Regulations of Highline Electric Association as presented.

POLICY 3-6 COMMUNITY ROOM

Herman presented a revised Policy 3-6 Community Room. It was properly moved, seconded, and carried to adopt the policy as presented.

IRA AND IIJA FUNDING OPPORTUNITIES

Herman updated the board on HEA's grant applications under the IRA and IIJA programs. The following projects have been included in the NRECA consortium: recloser project, volt/var project, and AMI disconnect project. HEA submitted line rebuilds for inclusion in the NRECA consortium's application for Energy Improvements in Rural or Remote Areas application. HEA's submissions were rejected

because the consortium chose to focus on renewable projects. HEA is monitoring grant opportunities for cybersecurity and other distributed generation projects. Herman discussed the REAP program and consideration of utilizing a grant writer for application to the program. Herman also discussed a solar proposal recently evaluated by HEA.

2022 AUDIT

Manager Herman led discussion of the previously provided 2022 Consolidated Audit Report of Highline Electric Association and Highline Services, Inc. Herman reported that the final audit opinion was unmodified and discussed what the auditors look for. It was properly moved, seconded, and carried to adopt the audit report as presented.

2022 CAPITAL CREDIT ALLOCATION

Manager Herman presented the proposed allocation of capital credits for 2022 in the amount of \$2,723,511.82, which amount represents total HEA operating and non-operating margins for 2022. It was properly moved, seconded, and carried to allocate 2022 HEA margins as presented.

Ted Carter exited the meeting.

President Bennett recessed the meeting at 12:01 p.m. and reconvened at 12:54 p.m.

MEMBER ORGANIZATION DELEGATION ELECTIONS

It was properly moved, seconded, and carried to elect Leo Brekel as HEA's delegate to the Tri-State Generation and Transmission Association Board of Directors.

It was properly moved, seconded, and carried to elect Ted Carter and Jim Lueck as HEA's delegate and alternate, respectively, to the Western United Board of Directors.

It was properly moved, seconded, and carried to elect Jim Lueck and Ted Carter as HEA's delegate and alternate, respectively, to the Colorado Rural Electric Association Board of Directors.

It was properly moved, seconded, and carried to elect Merlin Prior and Dennis Herman as HEA's delegate and alternate, respectively, to the Nebraska Rural Electric Association.

TRI-STATE

Director Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. He discussed changes to the executive committee. He provided a status update on Tri-State matters before the FERC. Brekel reported that Tri-State is still working with United Power to facilitate the exit of the latter. He also reported that Tri-State had budgeted for 95% coal unit availability, which is currently running at 70%. Brekel presented the February 2023 financials and discussed personnel changes.

Manager Herman reported on his attendance at the meeting of the Tri-State Rate Design Committee. He reported that it has been

determined that the contract termination payment is taxable but may be offset with net operating losses. Tri-State will be conducting a cost-of-service study using the FERC predominance method and subsequently applying tilt. Tri-State is moving up its budgeting process by three months to have it as the basis for the filed rate.

CREA

Jim Lueck reported on his attendance at the Colorado Rural Electric Association Regular Meeting of the Board of Directors. Lueck discussed pending legislation that CREA is actively monitoring, including bills regarding resource adequacy, greenhouse gas emissions, and prevailing wages.

WESTERN UNITED

Ted Carter was not present to deliver the Western United Report.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings. It was proposed and the board consented to moving the August HEA meeting to the 18th.

PUBLIC COMMENT

There was no Public Comment.

EXECUTIVE SESSION

It was properly moved, seconded, and carried to go into executive session for confidential and privileged communications regarding a confidential request, personnel matters, and engineering matters. All Directors then present at the meeting were present. Attorney Fredregill, Manager Herman, and staff present at the meeting were present. Attorney Levi Williamson was present via video conference for the portion of executive session regarding consideration of a confidential request. Director Brekel exited the meeting during the portion of executive session where a confidential request was discussed. Staff exited the meeting during the portion of executive session where a confidential request and engineering matter were discussed. It was properly moved, seconded, and carried to exit executive session.

It was properly moved, seconded, and carried to authorize Manager Herman to represent Highline Electric Association for testimony to be given in the United Power v. Tri-State Generation and Transmission Association litigation pending in Adams County, Colorado, case number 2020CV030649. Director Brekel abstained from voting on the motion.

It was properly moved, seconded, and carried to authorize Manager Herman to increase the number of linemen on staff for up to six months.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 3:15 p.m.

SECRETARY

PRESIDENT