

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
January 25, 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 January 25, 2023.

ROLL CALL

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

Mike Bennett	Aaron Sprague
Steve Oestman	Merlin Prior
Leo Brekel	Ted Carter
Jim Lueck	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. Staff member Elise Pocock was present via video conference. Attorney Levi Williamson recorded the minutes of the meeting.

AGENDA APPROVED

The agenda was revised and approved as revised.

MINUTES APPROVED

The minutes of the December 15, 2022, regular meeting of the board of directors were presented. The minutes were revised to correct a typo. It was properly moved, seconded, and carried to approve the minutes as revised.

MANAGER'S REPORT

Manager Herman presented the Manager's Report. He presented graphs of kWh Purchased, kWh Sold, Operating Revenue, Billing Summary, Expenses, Operating Margins, and Cash & Investments through December 2022. Herman reported that Highline had surplus margins in 2022. He recommended deferring a portion of those margins.

It was properly moved, seconded, and carried to defer \$2,000,000.00 of 2022 margins.

Manager Herman reported that the Haxtun Soil Conservation District offered to donate a trailer to Highline to use for a high voltage demonstration. It was properly moved, seconded, and carried to build a high voltage demonstration trailer with the Haxtun Soil Conservation District donating the trailer.

Herman presented a summary of the FERC legal expenses through November. Herman introduced the idea of special retirements of capital credits. The Board discussed the advantages and disadvantages of special retirements. Herman will bring a recommendation to the Board at a future meeting. The USDOE is seeking comments on its proposal to increase the efficiency standards for distribution transformers. Manufacturers contend that if the proposal is approved, manufacturing output will be

reduced by 30-40%. Herman reported on conversations with a member regarding a solar project. The project would likely be a Tri-State Policy 115 project.

OPERATIONS AND SAFETY REPORT

Operations Manager Rance Ferguson presented the Operations and Safety Report. He reported on substation maintenance, system storm damage, status of the Alvin and Sterling area line rebuilds, annual inspections, and construction crew projects.

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

MEMBER SERVICES REPORT

Member Services Manager Tadius Huser presented the Member Services Report. He discussed new services, rebates, renewable systems, RLF and RESP loan activity, and EV charging station activity. He reported that three of Highline's projects are moving forward in the Energy Grid Resilience and Innovation Partnerships Program.

DIRECTOR APPLICANT INTERVIEW

The Board interviewed member Ben Brophy for the open position on the Board.

ENGINEERING REPORT

Engineering Manager Alex Astley presented the Engineering Report. Astley reported that Highline has confirmed that the voltage issues at the Crook Substation have been resolved. He reported on projects in the IT, metering, staking, and communications departments. Astley reported on large projects, including repair of the Iliff transformer, the Sterling-West Plains Transmission Line rebuild, and AMI implementation.

CORPORATE SERVICES REPORT

Corporate Services Manager Jim Jackson presented the Corporate Services Report. Jackson presented CFC Commercial Paper Investments as of December 30, 2022. Highline paid \$2,981.75 in fees on \$197,565.25 worth of credit card payments in December. Jackson presented the Form 7, cash flow report, check register, and inventory report. He presented Highline Services, LLC financials for 2022.

DIRECTOR APPLICANT INTERVIEW

The Board interviewed member Dan Hughes for the open position on the Board.

President Bennett recessed the meeting at 12:05 p.m. and reconvened at 12:50 p.m.

Aaron Sprague left the meeting.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Revised Policy 2-13 Leave Donation Bank
- b. Policy 5-2 Communications
- c. Policy 6-7 Consumer Loan Program
- d. Safety Committee Report Approval
- e. New Members and Membership Refunds
- f. Subordination Agreements or Release of Liens
- g. Estate Capital Credit Refunds

The Consent Agenda was approved by unanimous consent.

POLICY 2-2 EMPLOYEE BENEFITS

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

HAXTUN REDL&G

General Manager Herman updated the board on Highline's proposed REDL&G lending support of the Haxtun Hospital District Facility Construction Project. Herman presented draft closing documents. It was properly moved, seconded, and carried to approve the loan and closing documents as presented, contingent on legal review and approval, and to authorize Mike Bennett and Dennis Herman to execute the loan documents and any other documents necessary to close the loan.

TRI-STATE RATE DESIGN COMMITTEE

Dennis Herman reported on his attendance at the meeting of the Tri-State Rate Design Committee. He reviewed the features of the rate that will likely be recommended by the committee.

ATWOOD SUBSTATION

Manager Herman reported that the low bid for the Atwood Substation project was \$894,647. Herman had estimated the project cost to be approximately \$500,000. Highline "no bid" the project and will re-issue the RFP in the next few months.

TRI-STATE

Director Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Tri-State directors will now receive \$500 per month, plus \$500 per meeting. Mountain Parks Electric, Inc. submitted notice of its intent to withdraw from Tri-State. Brekel presented Tri-State's financials through November.

WESTERN UNITED

Director Ted Carter reported that the next meeting of the Western United Electric Board of Directors will occur on January 26, 2023.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

It was properly moved, seconded, and carried to appoint Mike Bennett as Highline's delegate and Merlin Prior as the alternate to the CREA Annual Meeting.

It was properly moved, seconded, and carried to appoint Merlin Prior as Highline's delegate and Mike Bennett as the alternate to the WUE Annual Meeting.

EMERGENCY BUSINESS

Manager Herman reported that the meter testing board and related software will cost approximately \$5,000.00 more than the budgeted amount. It was properly moved, seconded, and carried to authorize variance from the budget for purchase of the meter testing board and related software.

EXECUTIVE SESSION

It was properly moved, seconded, and carried to go into executive session for the General Manager's performance evaluation. All Directors, except Aaron Sprague were present. Attorney Williamson and Manager Herman were present. Manager Herman left the meeting to allow the Board to discuss his salary. It was properly moved, seconded, and carried to exit executive session.


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

PUBLIC COMMENT


There was no Public Comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting adjourned at 3:28 p.m.



SECRETARY



PRESIDENT

