

HIGHLINE ELECTRIC ASSOCIATION  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
January 25, 2024

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, 2024.

ROLL CALL

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

Leo Brekel	Pam Stieb
Mike Bennett	Brad Stromberger
Merlin Prior	Lisa Schilke
David Carlson	Steve Oestman

Directors present via video conference were:

Aaron Sprague	Jim Lueck
Ted Carter	

Manager Dennis Herman and Attorney Bryson Fredregill were present in person. Staff members Jim Jackson, Rance Ferguson, 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 and adopted as revised.

MINUTES APPROVED

The minutes of the December 21, 2023, Regular Meeting of the Board of Directors were presented. It was properly moved, seconded, and carried to adopt the minutes as revised.

MANAGER'S REPORT

Manager Herman presented the Manager's Report. He reported on kWh Purchased, kWh Sold, Operating Revenue, Billing Summary, Expenses, Operating Margins, and Cash & Investments through December 2023. Herman discussed variances from budget, including margins below budget by \$1,301,257. Herman discussed various deferred revenue recognition strategies and the impact on such strategies of the yet to be determined Tri-State allocation.

Manager Herman updated the board on discussions to resolve access issues for the 69 kV line at the Sedgwick landfill. Herman believes that they have reached an acceptable resolution.

Manager Herman updated the board on the status of an interconnection request for an agrivoltaics project.

Herman is monitoring Tri-State's third iteration of a proposed partial requirements filing. Depending on final determination of such filing, Highline may be able to participate in a partial requirements project with other Tri-State members.

Herman presented a request for financial support for NRECA international. The board took no action.

Herman presented the list of candidates for the Colorado seat on the NRECA board. Herman is running for the seat.

Herman presented a solicitation from Kent Singer of CREA for participation in a panel discussing unique loads at the NRECA directors conference.

Herman presented CARE renewal information.

Herman reported that Highline has agreed to cost share with Y-WEA on a tie line that connects the two systems. Highline will be responsible for approximately 50% of the cost of rebuild.

Herman and the board discussed memorializing Highline's General Manager spending limit in policy. Herman will bring back a proposed policy revision to that effect.

Herman sought clarification on eligibility for the Highline scholarship program, which is currently limited to the children of members. The board confirmed that such limitation is to be strictly interpreted.

#### OPERATIONS AND SAFETY REPORT

Operations Manager Rance Ferguson presented the Operations and Safety Report. He reported on contractor work on the Atwood Substation, the Trailblazer rebuild, the Padroni rebuild, the line rebuild south of the South Platte Substation, underground projects, and the line rebuild south of the Lamar. He reported on Highline crew work.

Ferguson presented the Safety Report. There were no accidents, but he anticipates there will be an accident to report during the next reporting period arising from a recent injury. He also presented the outage report.

#### MEMBER SERVICES REPORT

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

#### ENGINEERING REPORT

Manager Herman presented the Engineering Report drafted by Engineering Manager Alex Astley. There were no questions.

#### CORPORATE SERVICES REPORT

Corporate Services Manager Jim Jackson presented the Corporate Services Report. Jackson presented CFC Commercial Paper Investments as of December 30, 2023. Highline paid \$2,838.16 in fees on \$202,508.10 worth of credit card payments in December. Jackson presented the balance sheet, Form 7, cash flow report, and check register.

#### CREA UPDATE WITH KENT SINGER

Kent Singer, Executive Director of the Colorado Rural Electric Association, entered the meeting.

Singer thanked the Highline Board for its support. He reported on the upcoming legislative session, anticipating that there will not be much activity affecting Colorado's electric cooperatives. He discussed recent activity in the areas of nuclear clean energy, carbon reduction, and net metering.

#### CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Policy 1-1 Establishment of a Policy Manual (no recommended changes)
- b. Policy 1-1a Establishment of a Mission and Beliefs Statement (no recommended changes)
- c. Policy 1-7 Per Diem and Expenses for Board Members (no recommended changes)
- d. New Members and Membership Refunds
- e. Subordination Agreements or Release of Liens
- f. Estate Capital Credit Refunds

Upon recommendation from Attorney Fredregill, one subordination agreement and one estate refund were removed from the Consent Agenda for separate consideration. The revised Consent Agenda was approved by unanimous consent.

It was properly moved, seconded, and carried to approve the removed estate refund contingent upon receipt of additional documentation.

It was properly moved, seconded, and carried to consent to a conflict of interest and approve the removed subordination agreement.

#### 2024 RATE EVALUATION

Herman presented the Highline Electric Association Tariffs revised to reflect the rate increase approved at the December 2023 Regular Meeting. Herman discussed elimination of the annual billing for some rate classes. Herman reported that staff will continue to work with the rate consultant regarding the irrigation rate and load control before final changes are made next year. It was properly moved, seconded, and carried to adopt the tariffs as presented.

#### UPDATE ON GRANT APPLICATIONS

Herman presented an update on all Highline grant activity. Highline was awarded a grant of approximately \$1,125,000.00 for recloser replacement as part of the GRIP Program. Highline is waiting for a response to its New Era grant and loan application to fund 8.5 MW of solar generation facilities.

Herman reported that Highline has applied jointly with Y-WEA for an RMUC grant to fund upgrades to the microwave network. Highline has also joined San Luis Valley REC in a second round GRIP consortium to apply for a grant to fund improvements at the Fairfield and West Plains substations. Highline applied for a grant from the Nebraska Department of Environment and Energy to fund replacement of a 69 kV transmission line.

#### VEHICLE PURCHASE

Herman and Ferguson presented an offer for the purchase of a used single man bucket truck. The asking price is \$95,000.00 and both Herman and Ferguson recommended the purchase. It was properly moved, seconded, and carried to authorize the purchase of the single man bucket truck as presented.

#### RLF LOAN APPROVAL

No discussion was had as the application was withdrawn.

#### NREA PARTICIPATION IN NRECA INTERNATIONAL PROJECT

Director Prior reported that NREA is considering participating in an NRECA International project. NREA is still evaluating whether to participate and how funding would be structured.

#### TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State G&T Board of Directors. He discussed the 2023 year-end review, including settlement with United Power and organized market progress. Brekel presented the financial report, including budget variance, estimated patronage retirement, sales, cost of power, and margin estimate. Tri-State met all of its financial goals in 2023. He updated the board on the CTP docket and reported that Basin Electric has sued Tri-State over member exits.

Herman discussed the contract termination payment in detail and reported that all parties have requested re-hearing.

#### WESTERN UNITED

There was no meeting of the Western United Board of Directors.

#### CREA

There was no further discussion.

#### MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

President Bennett recessed the meeting at 11:59 am and reconvened at 12:56 pm.

#### PUBLIC COMMENT

There was no Public Comment.

#### EXECUTIVE SESSION

It was properly moved, seconded, and carried to go into executive session for confidential discussion regarding General Manager review, with all directors present at the meeting, and Attorney Fredregill attending. Manager Herman was present for a portion of such executive session. It was properly moved, seconded, and carried to exit executive session.

It was properly moved, seconded, and carried to modify the General Manager's compensation under the terms discussed in executive session.

EMERGENCY BUSINESS

There was no Emergency business.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 1:48 p.m.

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SECRETARY

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PRESIDENT