

HIGHLINE ELECTRIC ASSOCIATION  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
May 18, 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 May 18, 2023.

ROLL CALL

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

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

Directors David Carlson and Steve Oestman attended the meeting via video conference. Director Pam Stieb was absent.

Manager Dennis Herman and Attorney Levi Williamson 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 Levi Williamson recorded the minutes of the meeting.

AGENDA APPROVED

The agenda was revised. The agenda was adopted as revised.

MINUTES APPROVED

The minutes of the April 20, 2023, regular meeting of the board of directors were presented. The minutes were revised regarding attendance during the executive session. 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, Expenses, Operating Margins, and Cash & Investments through April 2023. Herman discussed variances from budget.

Sprague reported that 10,000 irrigated acres have been retired in the South Fork Focus Zone.

Highline will donate 5% of its CFC patronage refund to the CFC Integrity Fund.

Herman reported that he plans to attend the CFC Annual Meeting. It was properly moved, seconded, and carried to appoint Herman as Highline's delegate to the CFC Annual Meeting.

Highline will begin pre-ordering poles due to long lead times. Herman reported that NRECA established the Cooperative Family Fund for families of utility workers injured on the job. The consensus of the board was to not donate in 2023.

Highline will participate in phase two of the Commitment to Zero safety program.

Herman led a discussion regarding whether to move Highline's billing and due dates. Highline's AMI system allows Highline to send bills sooner, resulting in bills being due earlier in the month. The consensus of the board was to leave the billing dates the same in part because Highline enjoys a cheaper cost of borrowing than its members.

Herman presented a copy of the letter from various Tri-State members to U.S. legislators regarding the Tri-State FERC matters. Herman signed the letter on behalf of Highline.

Highline will be requesting bids for a cost-of-service study. Herman believes Highline should consider moving to a three-part residential rate, which would include a demand charge.

#### OPERATIONS AND SAFETY REPORT

Operations Manager Rance Ferguson presented the Operations and Safety Report. He reported on system damage from the May windstorms. He also reported on the status of the transmission line north of the Sterling office, pole testing, substation operation and maintenance, personnel, and crew activity.

Ferguson presented the Safety Report. There were no accidents in April. 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, and EV charging station activity.

#### CORPORATE SERVICES REPORT

Corporate Services Manager Jim Jackson presented the Corporate Services Report. Jackson presented CFC Commercial Paper Investments as of April 30, 2023. Highline paid \$3,035.74 in fees on \$246,571.96 worth of credit card payments in April. Jackson presented the Form 7, cash flow report, and check register.

#### 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 the Sterling-West Plains Transmission Line rebuild.

#### CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Policy 2-7 Smoking Policy
- b. Policy 2-15 Company Credit Cards
- c. Policy 6-1 Rates, Rules & Regulations and Extension Policy
- d. New Members and Membership Refunds
- e. Subordination Agreements or Release of Liens

The Consent Agenda was approved by unanimous consent.

## AUGUST BOARD MEETING

It was properly moved, seconded, and carried to hold the August regular meeting of the board on Friday August 18, 2023 at 9:00 a.m.

## WRITE-OFFS

Herman presented the accounts recommended for write-off. It was properly moved, seconded, and carried to approve the accounts for write-off as presented.

## VEHICLE BID

Herman reported that of the five bids approved by the board in December 2022, one vehicle was delivered, and four orders were cancelled. As a result, Herman ordered three Ford trucks and recommends ordering one Dodge. Herman presented the cost of the three Fords and the estimated price for the Dodge. It was properly moved, seconded, and carried to approve ordering the four trucks as recommended by General Manager Herman.

## GRANT FUNDING OPPORTUNITIES

Herman updated the board on HEA's grant applications under the IRA and IIJA programs. Herman executed a contract with a grant writing consultant to help Highline with applications. Herman reported that Highline is eligible to apply for grant funds from the USDA New Era program. Herman plans to pursue these funds as a backup to Highline's REAP application.

## TRI-STATE

Director Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. The Tri-State Board is anticipating a 6.3% increase in its revenue requirement for 2024. The FERC authorized Tri-State to sell power on the market at a market-based rate. Brekel reviewed Tri-State's March financials. March member sales were 8.3% higher than budget. Tri-State's YTD margins are \$2.7 million better than budget. The Tri-State Board authorized joining an RTO.

Director David Carlson left the meeting.

## CREA

Jim Lueck reported on his attendance at the Colorado Rural Electric Association Regular Meeting of the Board of Directors. Lueck presented the written CREA Board Report.

## NREA

Merlin Prior reported that NREA successfully lobbied against proposed Nebraska legislation that would have required Nebraska PPD director candidates to run as political party nominees.

WESTERN UNITED

Ted Carter reported on his attendance at the Western United Electric Board of Directors' meeting. The backlog is up, while sales are down.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

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 and personnel matters. All Directors then present at the meeting were present. Attorney Williamson and Manager Herman were present. It was properly moved, seconded, and carried to exit executive session.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 1:47 p.m.

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SECRETARY

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PRESIDENT