



HIGHLINE
ELECTRIC ASSOCIATION

Your Touchstone Energy® Partner



2022

Annual Meeting

Energy Efficiency Rebates

Use Less. Conserve More.

As a not-for-profit electric co-op, our focus is on providing our members with safe and reliable electricity, not creating profits for investors. In fact, we encourage all members to use our energy efficiency rebate program and online efficiency tools to help decrease kilowatt-hour use. HEA's rebate program is a great way to start putting energy efficiency to work for you.

Residential & ENERGY STAR® Certified Rebates

- | | |
|-----------------------------|--------------------------|
| ■ LED Bulbs | ■ Electric Water Heaters |
| ■ Refrigerator / Freezer | ■ Heat Pump |
| ■ Washer / Dryer | ■ Smart Thermostats |
| ■ Induction Ranges/Cooktops | ■ Whole House Fans |

Outdoor Power Equipment Rebates

Low Noise. No Gas. Go Electric.

Experience the benefits of making the switch from gas to electric powered outdoor power equipment: low noise, zero gas, zero emissions, and low maintenance.

Electric Outdoor Power Equipment Rebates

Walk-behind & Riding Mowers, Snow Blower, Leaf Blower, Chainsaw, Pruner, Trimmer, Electric Bicycle, Power Washer

Eligible rebates must be submitted within **90 days** of purchase.

All rebates can be found at www.hea.coop/rebates

Rebates can be submitted to rebates@hea.coop or PO Box 57, Holyoke, CO 80734.

Agenda

- Call to Order at 6:30 pm
- Invocation
- Pledge of Allegiance
- Determination of Quorum
- Introductions
- Reading of Notice of 2022 Annual Meeting
- Reading and Approval of Minutes of 2019 Annual Meeting
- Nominations and Reports of Petitions Received
- Voice Vote for Uncontested Election
- General Manager's Report
- Scholarship Winners Announced
- Unfinished Business
- Member Comments
- Barcode Registration Drawing
- Draw for Prizes & \$2,500 Cash
- Adjourn

Tonight's meal is catered by D & J Café from Julesburg, CO.

Due to COVID-19, the 2020 and 2021 Youth Camp and Tour were canceled. Listed below are the 2022 delegates held over from previous cancellations who are planning to attend the respective events this summer.

2022 Washington D.C. Youth Tour Delegates

Nathan Brekel of Fleming High School

Nevada Mitchell of Caliche High School

2022 Youth Leadership Camp Delegates

Lamya Kuntz of Lone Star High School

Jack Willeke of Otis High School

President's Report by Mike Bennett

As I write this report, I am pleased to tell you Highline Electric had another good year. On behalf of the board and staff, we welcome you and hope you enjoy your evening with us, celebrating eighty-four years of providing electricity to you, our friends and neighbors. Your support and participation is valuable and I would like to thank all of you for taking time from your busy schedules to be here this evening.

Four director positions are up for election this year from each of Highline's districts. The incumbent directors from each district have submitted their petitions for re-election. No other petitions have been submitted, so in compliance with Highline's by-laws, an election will not be held.

Highline's operating margins for 2021 were \$1,650,000 above budget. This year's irrigation season provided better than budget margins while sales to our compression load members were down. The board once again agreed to return capital credits. General capital credits totaling \$2,372,122 were returned and special retirements totaling \$662,393 were also retired to estates. The board is very happy to announce that there will be no rate increase for 2022.

Energy efficiency programs will continue to be offered at Highline in 2022. If you are considering new LED lighting, purchasing new appliances, outdoor power equipment, heating/cooling systems or new electric motors, contact the Highline office and find out what it takes to be eligible for the many rebates that are available.

With the assistance of Tri-State, Highline continues to donate to the 4-H councils and the fire departments within our service territory. Scholarships each year are also provided to many recipients for the continuation of their education beyond high school.

2021 was a very busy year for Highline's line crews, engineering and office staff. Constructing many new services, maintaining the current facilities and managing the daily affairs of the company is an ongoing process.

Keeping Highline's system reliable, efficient and providing electricity 24/7/365 is a daunting task. We, the board, are proud of the work Highline's employees do to accomplish this for you, our consumers. Should you have questions about this evening's events or anything else, don't hesitate to contact Highline's office or one of your board

members. Once again, thank you for your support and thanks for attending this meeting!

Tri-State Report by Leo Brekel

Tri-State Generation and Transmission (Tri-State) is our member owned wholesale supplier of electrical energy and delivery of energy to 42 member utilities. There were numerous challenges during the 2021 operating year. In the Spring of 2021 employees began repopulating the office building. This was short lived as two COVID variants were identified and protocols were put in place to reduce exposures. As of early March 2022, employees are again returning to their offices and hopefully disruptions related to COVID are in the past.

Tri-State employees continued their excellent performance keeping generation plants operating and the transmission system maintained. The Board at Tri-State acknowledges and appreciates the dedication that we witnessed the past 2 years. The Board returned to meeting in person. However, we will have a few remote meetings each year. We found that technology is available and can be used effectively for some meetings.

In response to criticism of too much fossil fuel generation, Tri-State began a process of looking at alternative generation. This led to the development of the Responsible Energy Plan. The Colorado and New Mexico Legislature mandated Greenhouse Gas reductions in each State. The generation portfolio will continue to evolve as more renewables are added as well as new fuels or storage. During 2021, Tristate added 2 new wind farms—Crossing Trails and Niyol. I am sure most of you have driven past the Niyol farm southwest of Fleming.

In my report last year, I noted that Tristate will allow partial requirements contracts to members wishing to buy out of the portion of their all requirements contract that they wish to self-supply. A few members responded to the “open season” where they indicated how much they are interested in self supplying. The Federal Energy Regulatory Commission (FERC) needs to complete their rulings regarding several issues related to partial requirements contracts.

The first of March 2021, Tri-State reduced wholesale rates to the members 2% and rates were reduced an additional 2% in 2022. This reduction is a part of a FERC settlement for approval of our rates. Tri-State was able to meet its financial requirements and goals in 2021 by using deferred revenue. \$26.3M is the margin for 2021 and was

allocated to members during our Board meeting earlier this month. A rate committee is currently meeting on a monthly basis to review and recommend any necessary changes to our rates. This is to ensure that rates remain effective and useable for several years. This recommendation will be presented to the Board later this year.

It is an honor and a privilege for me to represent Highline and you our members/owners at Tri-State. We intend to keep electricity reliable, affordable, and sustainable for years to come. Should you have any questions please contact the Highline office or me.

Western United Report by Ted Carter

Throughout 2021, Western United Electric Supply encountered numerous conflicting trends that will mark the year as one of the most challenging yet rewarding in our 45 year history. Unprecedented demand from our membership was tempered by worldwide logistics issues, material shortages and most recently, the resurgence of inflation. These issues were highlighted in a letter from NRECA CEO Jim Matheson to President Joe Biden urging the administration to focus on resolving the serious supply chain delays impacting co-op utilities across the country. Western United and our membership fared far better than many of our counterparts across the country as we undertook a program to dramatically increase our inventory beginning in late 2019, while curtailing the sale of critical material to non-members. Material shortages and dramatically increased lead times are projected to continue throughout 2022 and into 2023. The entire staff of Western United is committed to serving our membership, identifying alternative solutions and limiting the exposure to these supply issues as much as possible.

Significant growth in the industry combined with supply chain disruptions and product shortages saw lead times on materials required by our membership increase dramatically. To maintain inventory levels necessary to meet the growing demand for these materials by our members and customers, WUE increased warehouse inventory levels in FY2021 to \$32.7M, a 24% increase from the prior year and an all-time high amount. This high level resulted in WUE's annual inventory averaging a modest 3.13 turns, a reduction from the prior year but above the corporate goal of 3 turns. Western United utilizes inventory turns as a key performance indicator, however, our first priority is to have the products our membership requires in stock, especially during times when availability from manufacturers is uncertain.

For the 17th straight year, Western United was ranked as one of the top three distributors in the country for sales per employee by Electrical Wholesaling Magazine, an excellent measure of overall efficiency. The 2021 magazine edition ranked WUE as #3 in the country for sales per employee with over \$3.3M in sales for each employee. In addition, WUE was ranked as the 63rd largest distributor in the country as measured by total sales in calendar year 2020.

CREA Report by Jim Lueck

Colorado Rural Electric Association continues to be actively involved in the 2022 legislative session. With the retirement of Geoffrey Hier, Tim Coleman has moved into the lobbyist position. Tim is an energetic representative for CREA and we look forward to his briefings.

The CREA Legislative Committee has a phone meeting every Monday during the legislative session to keep apprised of bills either freshly introduced or the committee status of the bills.

The usual issues arise when writing a report at this state of the process. Too often a bill is on CREA's radar and then gets amended or postponed indefinitely. The dynamics of the bill can change dramatically over the course of time.

During this legislative session, CREA supported senate bill 22-028. This bill would help get funding for the Republican River & Rio Grande basins. Highline Electric encouraged CREA to support this bill even though it is not predominately an electric based bill. The impact on agriculture in these two areas of the state is considerable.

HEA has two very water knowledgeable directors, Aaron Sprague and Brad Stromberger, keeping the HEA board updated on water issues.

Colorado Rural Electric Association is monitoring a handful of bills at this time that are of interest to electric cooperatives. For the sake of space I will list a brief number of these bills:

- House Bill 22-1013 - Microgrids for Resilience
- House Bill 22-1104 - Powerline Trails
- Senate Bill 202-90 - Severe Weather Notifications
- Senate Bill 22-138 - Reduce Greenhouse Gas Emissions in CO

You can Google these bill numbers for further reading enjoyment.

The legislators this year have been a little less than full blown crazy with bill subjects. It appears that instead of outright save the planet

kind of bills, they have tempered them to be a little more realistic. It might be on account of November Elections. Stay tuned!

As always, I appreciate the opportunity to serve as CREA's director representing Highline. Please continue supporting the Colorado Country Life Magazine.

NREA Report by Merlin Prior

Highline Electric Association's territory consists of rural consumer-members in Northeast Colorado as well as a significant number of consumer-members in southwest Nebraska including irrigation load. With this diverse load in Nebraska we are a member of Nebraska Rural Electric Association, made up of 34 Nebraska rural electric systems which work cooperatively to make sure we continue to have affordable, reliable and safe electricity. Constant monitoring of state and federal regulations, US Congress & Nebraska legislature is necessary, along with a watchful eye towards what is happening and how it will affect our ability to keep the power available 24/7.

Many new innovative ideas, new senators and representatives and perceived new sources of electric power through renewable energy projects are constantly being put before our systems' boards as better than what we traditionally have depended on. Sorting out the most reliable, economical and best combination of projects for the growing power needs and consumers' preferences is challenging. The choices must work for our coop and the system as a whole for long term dependability.

The NREA staff and member systems strive to maintain strong relationships with state and federal elected representatives as well as regulating commissions so we can provide them with reliable information to make sound decisions preserving our rural power systems.

One of the challenges deals with net metering of new renewable power generated by consumers wanting to sell extra generated power back to their power provider. This creates inequities for the rest of the consumer-members. Education is needed to discuss the fairness and use of existing infrastructure built to supply power to the Association. NREA is striving to develop ways to accomplish these education needs with the consumers and legislative members by using the Working for Nebraska programs. This effort is to provide important details for understanding the principles involved. Nebraska is presently one of the top states in the US for lowest economical rates and most reliable electrical grid systems. I

encourage you to go to the HEA website to view informative videos which can help you better understand issues and services we provide. Please contact HEA with questions you don't find answers to.

HEA & NREA are committed to excellence in providing electric services safely, efficiently and economically for you, our consumer-members. The NREA will continue to provide association services, training and monitoring of legislative and regulatory initiatives that affect Nebraska rural electric systems.

I want to thank the HEA members for allowing me to represent you on the HEA Board of Directors and the opportunity to represent HEA on the NREA Board of Directors.

Thank you for attending this year's annual meeting and your support of HEA.

Employees

Holyoke

Robie Adams
Eric Anderson
Alex Astley
JT Baker
Jill Baumgartner
Ryan Bingham
Luke Bracelin
Bob Bradley
Kris Camblin
Dustin Carrick
Steve Deaver
Deanna Deselms
Jason Doleshall
Morgan Eurich
Rance Ferguson
Joanie Groshans
Mark Harshbarger
Jessie Heath
Dennis Herman
Remington Hielscher
Tadius Huser
Jim Jackson
Elliot Jones
Ben Kafka
Dan Kafka
Tammy Kroeger
Tom Kropp
Eric Luedke
Mendi Lutze
Josh Martin
Matt McCabe

Elon Nelson
Melissa Nelson
Elise Pocock
Derek Roberts
Imer Rodriguez
Nick Saylor
Landon Shaffer
Tracy Simpson
Deon Skomp
Justin Wert
Christopher Yanez
James Ziebarth

Ovid

Seth Baker
Jeff Blochowitz
Carson Ebke
Jeff Pocock
Megan Wagoner

Sterling

Karson Harryman
Joni Kinney
Darrin Manuello
Chris McKay
Matthew Miller
Jeff Poe
Jace Rhodes



Updated Mobile App Available

Attention Highline mobile app users:

If you have not downloaded the new Highline Electric app within the last month, chances are you are using our old app that will no longer be available starting **May 2**. Please download the new app in order to avoid any disruptions to your mobile app usage.



Manage your utilities
the way you want
anytime,
anywhere.

Available for download
search for Highline Electric

