

2024 Annual Meeting



Your Touchstone Energy® Partner 

Since 1938

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
- Clothes Dryer
- Induction Ranges/Cooktops
- Smart Thermostats
- Electric Water Heaters
- Heat Pump
- Evaporative Cooler
- Air Conditioners

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. Rebate amounts under \$50 will be issued as a credit on the Highline account.

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 2024 Annual Meeting
- Reading and Approval of Minutes of 2023 Annual Meeting
- Nominations and Reports of Petitions Received
- Voice Vote for Uncontested Election
- General Manager's Report
- Financial Report from CFO
- Scholarship Winners Announced
- Unfinished Business
- Member Comments
- \$100 Bill Credit Drawing
- Draw for Prizes & \$2,500 Cash
- Adjourn

Tonight's meal is catered by Happy Jack's in Holyoke, CO.

2023 Washington D.C. Youth Tour Delegates

Tayla Martin of Holyoke High School
Samantha Seger of Haxtun High School

2023 Youth Leadership Camp Delegates

Emeri Blochowitz of Revere High School
Madelyn Willeke of Otis High School

2024 Washington D.C. Youth Tour Delegates

Aubrey Poe of Homeschool
Katelyn Reichman of Julesburg High School

2024 Youth Leadership Camp Delegates

Emeri Blochowitz of Revere High School
Leah Struckmeyer of Holyoke High School

President's Report by Mike Bennett

As I reflect over the past several months, I am pleased to tell you Highline Electric had another good year. The past year was one to remember, or not, some of the most unbelievable weather our membership has seen in a long time. On behalf of the board and staff, we welcome you and hope you enjoy your evening with us, celebrating eighty-six 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, one director from each of the four 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 2023 were \$1,159,265 below budget. This year's irrigation season provided below budget margins while sales to our compression load members were up slightly. The board once again agreed to return capital credits. General capital credits totaling \$1,753,515 were returned and special retirements totaling \$260,938 were also retired to estates. The board has approved an overall rate increase for 2024 of 3.5%. This increase varies among the multiple rate classes. A cost-of-service study was done, and a significant amount of time was spent determining the increase.

Energy efficiency programs will continue to be offered at Highline in 2024. If you are considering new LED lighting, purchasing outdoor power equipment, converting to an electric water heater, updating your heating/cooling systems, or installing 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.

2023 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 a member owned cooperative that supplies and delivers wholesale electricity to our member distribution systems. Distribution Cooperatives and Public Power Districts are located in Colorado, Wyoming, New Mexico and Nebraska.

Currently there are 42 member systems throughout this service area. United Power of Brighton, CO and Northwest Rural Public Power District of Hayes Springs, NE are scheduled to exit membership on May 1, 2024. Mountain Parks located in Granby, CO has submitted notice of their intent to exit in 2026. The Federal Energy Regulatory Commission provided their ruling regarding the calculation of exit fees for Tri-State members wishing to exit. The Tri-State Board has been adamant that the exit fee must not harm the remaining members.

Partial requirements contracts for members wishing to provide some of their own generation remains a topic of discussion. We continue to work with these members to provide a workable solution that does not harm members wishing to remain full requirements members. A Committee is meeting to discuss member contracts at Tri-State. Dennis Herman chairs this committee and they will meet several times in 2024.

As I noted in my report last year, Tri-State agreed to reduce wholesale rates about 2% in 2022 and 2% in 2023. Our rate case for 2024 was submitted to FERC in June of 2023. This rate case is unapproved as of this writing. Tri-State will continue to provide info to FERC to get approval as we need a rate increase that we hoped would begin in January of 2024.

Tri-State was able to finish 2023 with approximately \$10 million of margins. We used most of our Deferred Revenue during 2022 and 2023. Our planning and budgets were set up this way as we expected to have a new rate approved beginning in 2024. We are continuing to finalize rate approval from FERC.

We at Tri-State remain committed to providing and delivering wholesale power reliably and affordably. It is a privilege and I feel really blessed to have the opportunity to be a part of all the discussions at Tri-State for the past 20 years. I remain committed to do the best I can for you, our Highline Members. Should you have questions or concerns please contact me or the Highline office.

Western United Report by Ted Carter

In 2023, Western United Electric Supply achieved significant milestones and financial success. This included expanding the Brighton, Colorado, yard, enhancing IT capabilities, and initiating a member-focused barcoding system. Sales soared to \$266.8M, a 17.3% increase from the previous year, driven by housing development, new customer acquisition, and member growth. Despite challenges like the passing of President Dan Daly, the company thrived.

Efforts to streamline operations and reduce debt were successful, with a \$6.2 million record patronage capital returned to members. Gross margins reached \$32.9M, with a net income of \$19.2M. The company maintained its position as one of the top distributors nationally, with a focus on responsible growth, internal efficiency, and preparedness outlined in the 2024 strategic plan.

For the 19th straight year, Western United was ranked as one of the top distributors in the country as measured by sales per employee by Electrical Wholesaling Magazine, an excellent measure of overall efficiency. The 2023 edition ranked WUE #3 in the country for sales per employee with nearly \$4.8M in sales for each employee. In addition, WUE was ranked as the 54th largest distributor in the country as measured by total sales in calendar year 2022.

The Western United Board of Directors will consider approval of the 2024 strategic plan at their January 2024 Board meeting. The three guiding principles of the plan remain: Responsible Growth, Internal Efficiency and Preparedness. Each principle is further addressed in the context of improving Western United's value to our membership.

The entire Western United staff and Board of Directors wish to thank all of our member-owners for their continued support and for investing in the company they own. Western United Electric Supply has always been in business for the purpose of serving its members, not to make a profit. This makes Western United Electric Supply a unique and valuable asset for its cooperative members.

CREA Report by Jim Lueck

The Colorado Legislature convened on January 10th and is scheduled to adjourn on May 8, 2024. At this time there have been 603 bills introduced. This keeps our CREA lobbying team busy staying abreast of the Legislators' wish list.

In years past numerous bills were introduced with renewable energy being the main theme. These bills would always have a direct bearing on Tri State G&T and the distribution co-ops like Highline. The bills that have blipped up on CREA's radar this year have dealt with air quality and impact oil and gas production in particular. Being a skeptic, I feel it is a back door attempt to push more renewables while hamstringing a viable industry in Eastern Colorado.

I will give you a brief synopsis of a couple bills and the bill numbers for a couple more that you could Google for more detail.

Senate Bill (SB) 24-165 Directs the Colorado Air Quality Control Commission to adopt rules for emissions for off road and diesel fueled fleets for the nonattainment area. Google that map and you will see that it takes up a sizable chunk of the front range. This topic would require too much detail to try and explain at this time. I would encourage you to Google SB 24-165 and study it. I feel this one is going to draw a lot of attention. This bill requires that Colorado Department of Transportation establish vehicle miles traveled reduction targets for the nonattainment area and develop programs to assist metropolitan organizations to meet their targets. Questions that arise with this bill would have to ask how are they going to limit your use of your vehicle in that area and what impact would travel from outside the area affect the traveler.

SB24-1320 and SB24-1346 are also being watched closely by CREA. Google these two also while you got the Internet fired up.

SB24-159 is a modification to the Energy and Carbon Management Program. There are four front range legislators pushing this bill. I have a hunch they gave up thinking for Lent. This bill would cease issuing oil and gas drilling permits approximately by January 2030. The fiscal note research shows it would be about a \$300 million hit to the State economy, not to mention the havoc it would create in rural Colorado schools and businesses. Discussion at CREA meetings invariably brings up the urban-rural divide. It is bills like these mentioned that highlight the front range/rest of Colorado mentality.

Colorado Rural Electric Association has been accused of being contrary to a lot of bills over the years. It is our fiduciary duty to defend and protect the rights of our co-op members statewide. That has been our mandate and it is intended to maintain that.

Thank you for the opportunity to serve you on the HEA and CREA Board.

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
Alex Astley
Diana Baeza
James Baker
Ryan Bingham
Luke Bracelin
Bob Bradley
Kris Camblin
Dustin Carrick
Steve Deaver
Deanna Deselms
Jason Doleshall
Carson Ebke
Morgan Eurich
Rance Ferguson
Joanie Groshans
Tyler Hase
Carl Haughn
Jessie Heath
Dennis Herman
Tadius Huser
Jim Jackson
Ben Kafka
Dan Kafka
Tammy Kroeger
Eric Luedke
Mendi Lutze
Josh Martin
Matt McCabe
Joel Muller
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
Jessie Heath
Mendi Lutze
Jeff Pocock
Jaciell Villalobos

Sterling

Rhonda Berges
Sarah Dille
Karson Harryman
Darrin Manuello
Chris McKay
Matthew Miller
Jeff Poe
Jace Rhodes



Did you know Highline now offers statement related texts?

You can now sign up for texts when statements are:

- Generated
- Due Soon
- Due Now
- Payment Received

Call any of our offices to sign up today!

