

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
July 15, 2021

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 July 15, 2021.

ROLL CALL

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

Brad Stromberger	Merlin Prior
Mike Bennett	Aaron Sprague
Ted Carter	Pam Stieb
Steve Oestman	Merl Miller

Directors initially present via video conference:

Jim Lueck (Lueck attended a portion of the meeting in person)

Directors Leo Brekel and David Kinnison were absent. Manager Dennis Herman and Attorney Bryson Fredregill were present in person. Staff member Jim Jackson was also present. Staff Members Rance Ferguson and Alex Astley were present via video conference, with Ferguson delivering his report in person. Attorney Fredregill recorded the minutes of the meeting.

AGENDA APPROVED

The agenda was presented and approved as presented.

MINUTES APPROVED

The minutes of the June 15, 2021 meeting were approved as presented.

MANAGER'S REPORT

Manager Herman presented the Manager's Report. He presented graphs of kWh Purchased, kWh Sold, Expenses, Operating Revenue, Operating Margins, and Cash & Investments through June 2021. Herman also presented the Ormat Report, which indicated year-to-date savings of \$7,038.10.

Director Aaron Sprague provided an update on the activities of the Republican River Water Conservation District, including continued efforts to meet the acreage retirement requirements.

Herman updated the board on the FERC litigation involving Tri-State. The FERC gave Tri-State 30 days as of June 17 to justify or revise its contract termination tariff. The FERC also issued an order allowing aggregators to contract with retail behind-the-meter generators for sale on the open market of the power produced by said generators. Herman updated the board on the ongoing pay equity analysis. Herman reported that staff is reviewing a broker-provided quote for health insurance, which may provide significant cost savings. The board directed Herman to procure an additional quote from a local provider. Herman reported on discussions with Colorado State Senator Jerry Sonnenberg regarding the latter's

cost of energy. Herman reported that he is evaluating possible donations to the CARE Auction. The board consented to Highline's continued support of the Auction. Herman reported on a solicitation of membership from the Nebraska Water Resources Association. Herman recommended against membership because Highline is represented in part through its membership in NREA. The board agreed. Herman reported that Highline received notice of the forgiveness of its PPP loan. Herman also provided updates on the Tri-State cybersecurity workshop, Melissa Memorial Hospital Foundation Fundraiser, upcoming ACSI member satisfaction survey, and staff investigation into incorporating an electric vehicle in the Highline fleet.

Herman reported that the Nebraska NRECA Director, Randy Papenhausen, will not seek re-election. It was properly moved, seconded, and carried to appoint Merlin Prior as Highline's delegate to vote on Nebraska's Director to the NRECA Board of Directors.

OPERATIONS AND SAFETY REPORT

Rance Ferguson presented the Operations Report. He reported on damage from the June 19th storm, wind farm construction progress, and crew activities. Ferguson presented the outage report and safety committee report.

MEMBER SERVICES REPORT

Dennis Herman presented the Member Services Report as prepared by Tadius Huser. There were no questions.

Jim Lueck entered the meeting in person.

ENGINEERING REPORT

Alex Astley presented the Engineering Report. Astley reported on digital map data updates, server updates, and AMI deployment. As of the meeting there were 9,100 meters deployed. He also reported on staking of upcoming work plan projects and SCADA maintenance. Astley provided detailed updates on large projects, including AMI towers, the Sterling to west Plains Transmission Line design, and phone system upgrades. Astley reported that Highline did not load control during the period from June 21st to June 30th.

CORPORATE SERVICES REPORT

Jim Jackson presented the Corporate Services Report. Jackson presented interest rates and CFC Commercial Paper Investments as of June 30, 2021. Highline paid \$2,230.20 in fees on \$170,218.06 worth of credit card payments in May. Jackson presented the Form 7, cash flow, and check register.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. HEA Policy Review
 - Policy 1-7 Per Diem and Expenses for Board Members (no changes)
 - Policy 8-4 Disaster Assistance (no changes)
- b. Safety Committee Report

- c. New Members and Membership Refunds
- d. Subordination Agreements or Release of Liens
- e. Estate Capital Credit Refunds

The items on the Consent Agenda were approved by unanimous consent.

PRE-SUBMISSION REVIEW OF 2020 FORM 990

Manager Herman presented the Form 990 for Tax Year 2020. Herman reported that there were no substantial issues.

REVOLVING LOAN FUND

Jessie Heath entered the meeting.

Herman reported on a request for a refinancing loan from the Revolving Loan Fund. Herman reported that the applicant has modified his plan, which modification entails significantly increased costs. Management will require an amendment to the application to reflect the changed circumstances.

Jessie Heath exited the meeting

TRI-STATE DELEGATE ELECTION

Manager Herman reported that the Highline needs to elect a delegate and alternate for the Tri-State annual meeting. It was properly moved, seconded, and carried to appoint Merlin Prior and Pam Stieb as Highline's delegate and alternate, respectively, for the Tri-State Annual Meeting.

TRI-STATE

Manager Herman presented the Tri-State Report. The Tri-State board approved a modified contract termination payment methodology, which allows for annual calculation of each member's exit fee. The modified contract termination payment methodology will be submitted to the FERC for approval. Herman updated the board on Tri-State's current power supply mix. Sales and power purchased are both below budget. Herman presented the Tri-State Annual Meeting schedule.

CREA

Jim Lueck reported on his attendance at the regular meeting of the CREA Board of Directors. He presented the written board report and discussed legislation that CREA is tracking. He reported that CREA received an unqualified audit from Kevin Kelso.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

EXECUTIVE SESSION

It was properly moved, seconded, and carried to go into executive session to discuss confidential power supply matters and litigation matters, with the following in attendance: All Directors present in-person at the meeting; Manager Herman; and Attorney Fredregill. It was properly moved, seconded, and carried to come out of executive session.

PUBLIC COMMENT

There was no Public Comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 11:57 p.m.



SECRETARY



PRESIDENT

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