

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
July 28, 2022

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 28, 2022.

ROLL CALL

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

Mike Bennett	Brad Stromberger
Merl Miller	Steve Oestman
Jim Lueck	Pam Stieb
Merlin Prior	Leo Brekel
David Carlson	

Directors Aaron Sprague and Ted Carter were absent. Manager Dennis Herman and Attorney Bryson Fredregill were present in person. Staff members Jim Jackson, Rance Ferguson, Tadius Huser, and Alex Astley were present in person. Staff member Elise Pocock attended via video conference. Attorney Bryson Fredregill recorded the minutes of the meeting.

AGENDA APPROVED

The agenda was revised to remove Policy 3-2: Consumer Services Inquiries from the Consent Agenda for separate consideration. The agenda was approved as revised.

MINUTES APPROVED

The minutes of the June 16, 2022, regular meeting of the board of directors were presented. The minutes were approved as presented.

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 June 2022. Herman answered questions about line losses, including the accounting of such losses.

Herman reported on discussions regarding implementation of a Tri-State coordinated demand response program for loads on the eastern interconnect. Herman also reported on satellite broadband partnership opportunities, a USDA REDL&G funding moratorium, and load control monitoring. Herman reported that staff is currently investigating how best to comply with the Colorado PUC Interconnection Tariff informational filing. Herman also updated the board on inventory expansion.

Herman disclosed that his son has accepted employment by Tri-State where he will work on Tri-State's trading desk. Herman reported that he did not anticipate any conflicts would arise from said employment.

Herman presented the Ormat Report. Highline recognized savings of \$3,612.87 through June 2022. Herman reported that an operational shift may result in the elimination of the Ormat benefit to Highline.

Herman reported that the FERC ALJ in the Tri-State Stated Rate docket found BP 119 to be unduly discriminatory to larger Tri-State members.

Herman discussed Highline's health plans and the impact of Medicare eligibility on the HSA portion of the plan. Herman proposed several alternatives to addressing the HSA issue. The board directed Herman to present his recommendations for approval in a revised policy.

OPERATIONS AND SAFETY REPORT

Operations Manager Rance Ferguson presented the Operations and Safety Report. He reported on system damage caused by thunderstorms, planned and unplanned outages for substation maintenance, a transmission line outage, fleet upgrades, and crew activities.

Ferguson presented the outage report and safety committee report. There were no accidents.

MEMBER SERVICES REPORT

Member Services Manager Tadius Huser presented the Member Services Report. He reported on new services, rebates, renewable energy, the revolving loan fund, Youth Leadership Camp and DC Youth Tour participation, and the status of the Freewire EV charging station.

ENGINEERING REPORT

Engineering Manager Alex Astley presented the Engineering Report. Astley reported on engineering, IT, metering, staking, and communications projects. Astley updated the board on permitting for the Sterling to West Plains Transmission Line project, design of the Atwood Substation Project, and the construction schedule and easement acquisition for the AMI-Fritzler monopole. Astley also reported on load control monitoring and implementation.

CORPORATE SERVICES REPORT

Corporate Services Manager Jim Jackson presented the Corporate Services Report. Jackson presented CFC Commercial Paper Investments as of June 30, 2022. Highline paid \$2,811.14 in fees on \$185,857.95 worth of credit card payments in June. Jackson presented the Form 7, cash flow report, and check register. Jackson reported that Highline's equity stands at 40.2%, but he anticipates it will be closer to 50% by the end of 2022.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Policy 1-6 Board Committees (no recommended revisions)
- b. Policy 1-13 Memberships in Organizations (no recommended revisions)
- c. Safety Committee Report
- d. New Members and Membership Refunds
- e. Subordination Agreements or Release of Liens
- f. Estate Capital Credit Refunds

Attorney Fredregill recommended that one estate refund application be removed from the Consent Agenda for separate consideration. The revised Consent Agenda was approved by unanimous consent.

ESTATE CAPITAL CREDIT REFUNDS

Attorney Fredregill presented an estate refund application and recommended that said application be approved, pending applicant completion of required documentation. It was properly moved, seconded, and carried to approve the estate refund, pending completion of the required documentation.

POLICY 3-2 CONSUMER SERVICES INQUIRIES

Manager Herman presented revised Policy 3-2 Consumer Services Inquiries. It was properly moved, seconded, and carried to adopt Policy 3-2 as presented.

POLICY 1-24 DIRECTOR ATTENDANCE AT BOARD OF DIRECTOR MEETINGS

General Manager Herman presented revised Policy 1-24 Director Attendance at Board of Director Meetings. It was properly moved, seconded, and carried to adopt the Policy 1-24 as presented.

BYLAW AMENDMENT

Manager Herman presented a proposed Amendment to Section 3, Article II of the Highline Bylaws, which was approved by the board for recommendation and publication at the April 21, 2022, Regular Meeting of the Board of Directors. Herman reported that Highline received no comments on the proposed amendment. It was properly moved, seconded, and carried to adopt the amendment as presented.

PRE-SUBMISSION REVIEW OF 2021 FORM 990

Manager Herman presented the pre-submission draft of Highline's Form 990. The Form 990 was reviewed by the board.

NRECA ADOPTION AGREEMENTS OF THE RETIREMENT SECURITY AND 401(k) PENSION PLAN

Manager Herman presented the adoption agreements for the NRECA 401(k) Pension Plans and Retirement Security Plan. The agreements were reviewed by the board.

KEY RATIO TREND ANALYSIS

Manager Herman presented the CFC Key Ratio Trend Analysis. Herman reviewed the Executive Summary and all categories within which Highline ranked high or low.

ELECTRIC VEHICLE DCFC RATE DISCUSSION

Manager Herman presented a proposed rate of \$0.25 per kWh for DC Fast Chargers, with a \$0.10 per minute idle fee after 30 minutes. Herman presented a survey of DC Fast Charging EV rates from several locations in Colorado and Nebraska. It was properly moved, seconded, and carried to adopt and publish the rate as presented.

President Bennett recessed the meeting at 11:55 a.m. and reconvened at 12:55 p.m.

TRI-STATE

Leo Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. Brekel reported on the Tri-State board's authorization of a bond buyback plan, including

utilization of commercial paper. Brekel discussed the impact of the U.S. Supreme Court's ruling in *West Virginia v. EPA*. Brekel also discussed supply chain issues, the FERC docket timeline, and Tri-State margins.

CREA

Jim Lueck reported on his attendance at the regular meeting of the CREA Board of Directors. The CREA board received the audit report from Kevin Kelso.

NREA

Merlin Prior reported that NREA has selected Rick Nelson to be its General Manager. The board agreed to a two year term with Nelson, who will continue to serve as the Manager of Custer Public Power District

TRI-STATE RATE COMMITTEE

Manager Herman reported on his attendance at the meeting of the Tri-State Rate Committee. He presented a letter to the rate design committee summarizing the most recent discussions. Herman discussed issues including direct assignment of transmission assets, regional pricing, seasonal rates, and exit negotiations with United Power, Inc. and Northwest Rural Public Power District.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

EXECUTIVE SESSION

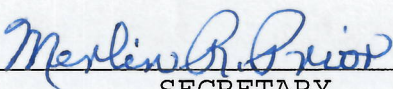
It was properly moved, seconded, and carried to go into executive session for confidential discussion regarding health insurance, FERC matters, and a potential new load, with the following in attendance: All directors present at the meeting, all staff present at the meeting, Manager Herman, and Attorney Fredregill. It was properly moved, seconded, and carried to exit executive session.

PUBLIC COMMENT

There was no Public Comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting adjourned at 1:59 p.m.



SECRETARY



PRESIDENT