

HIGHLINE ELECTRIC ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS
February 18, 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 February 18, 2021.

ROLL CALL

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

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

Directors present by video conference were:

David Kinnison

Member, and candidate for the Board of Directors, TJ Amendt was present in person.

Manager Dennis Herman was present in person and Attorney Levi Williamson was present via videoconference. Staff members Alex Astley, Tadius Huser, Jim Jackson, and Rance Ferguson were also present via videoconference and presented reports in person. Attorney Williamson recorded the minutes of the meeting. David Kinnison entered the meeting via video conference at 1:02 p.m.

AGENDA APPROVED

The Agenda was approved as presented.

MINUTES APPROVED

The minutes of the January 22, 2021 meeting were approved as presented.

MANAGER'S REPORT

Manager Herman presented the Manager's report. He reported on the status of closing the 2020 financials. He presented graphs of kWh Purchased, kWh Sold, Expenses, Operating Margins, and Cash & Investments through January 2021.

Manager Herman discussed grid issues created by the recent cold snap. Tri-State asked Highline to shed load for an hour. Highline worked with Tri-State to move load from the east side to the west side to avoid an outage.

Leo Brekel reviewed the Basin Electric Generation report and issues caused by the cold weather.

Manager Herman discussed the status of the Tri-State CTP FERC proceeding. Manager Herman discussed the possibility of going to flex-time at Highline.

OPERATIONS REPORT

Rance Ferguson presented the February Operations Report. He reported on status of contractor work. He reported on substation switching for Tri-State maintenance, HEA annual testing, and line crew activities.

Ferguson presented the Safety Committee Report and reported on safety training. There was one accident. Ferguson presented the outage report.

MEMBER SERVICES REPORT

Tadius Huser presented the February Member Services Report. He reported on rebates, new services, member solar projects, and Revolving Loan Fund loans. The 2021 DC Tour and Youth Leadership Camp were cancelled due to Covid-19. Huser asked if the Board agrees with offering the students the option to attend in 2022 or to receive the cost of the tour/camp in the form of a college scholarship. The consensus of the Board was to offer the option to the students.

ENGINEERING REPORT

Alex Astley presented the February Engineering Report. He updated the board on sectionalizing, software implementation, staking, and deployment of Highline's AMI system and related communications system. He also updated the board on the Interstate Substation upgrades.

CORPORATE SERVICES REPORT

Jim Jackson presented the February Corporate Services Report. Jackson reported on CFC Commercial Paper and Select Note Investments as of January 31, 2021. Highline has a deferred revenue balance of \$700,000.00 as of January 31, 2021. Highline paid \$2,180.43 in fees on \$179,035.37 worth of credit card payments in January. Jackson reported on the status of Highline's application for forgiveness of the PPP loan. Jackson presented the Form 7, cash flow, and check register.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. HEA Policy Review
 - Policy 4-2 Depositories
 - Policy 6-6 AMI Opt-Out Program
- 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, contingent on legal approval of estate capital credit refunds.

ANNUAL MEETING

Manager Herman reported that Phillips County Covid-19 restrictions limit public gatherings to fewer than 175 people. He recommends cancelling the Annual Meeting and holding the Director election via mail with the hopes of holding a member meeting later in the year if restrictions are relaxed.

It was properly moved, seconded and carried to cancel the 2021 Annual Meeting due to Covid-19 restrictions and to hold the Director election via mail.

DIGGER TRUCK BID APPROVAL

Rance Ferguson presented two bids for a digger truck.

It was properly moved, seconded and carried to accept the Altec bid.

EV CHARGING RATE

Herman reported on costs associated with the EV charging station.

A motion to approve a change to the EV charging rate was defeated.

POLICY 1-22

Herman and Alex Astley presented a revised Policy 1-22, Information Technology Cyber Security Policy.

It was properly moved, seconded, and carried to approve Policy 1-22 as presented.

DEFERRED REVENUE

Herman and Jim Jackson discussed Highline's Revenue Deferral plan. Herman presented a resolution to amend Highline's Revenue Deferral plan. It was properly moved, seconded, and carried to approve the resolution as presented.

President Bennett recessed the meeting at 12:14 p.m. for lunch and reconvened at 1:02 p.m.

David Kinnison joined the meeting.

HIGHLINE SERVICES REPORT

Jim Jackson reviewed the 2020 financials for Highline Services, LLC. Jackson and Herman reported that they expect fewer expenses in 2021.

TRI-STATE

Leo Brekel reported on his attendance at the regular meeting and the strategic planning session of the Tri-State Board of Directors. Tri-State recognized approximately \$25 million in margins in 2020, approximately \$6 million under budget. The Tri-State Board announced a goal to reduce the wholesale rate by 8% by the end of 2023.

CREA

Jim Lueck reported on his attendance at the regular meeting of the CREA Board of Directors. CREA is considering how to account for profits made from the CCL magazine. CEEI has raised \$118,000 to help those impacted by the 2020 wildfires. Manager Herman reported on pending legislation regarding cooperative corporate governance.

WESTERN UNITED

Ted Carter reported on his attendance at the regular meeting of the Western United Electric Board of Directors. Sales are up over last year. Western United's financials continue to be strong. Inventory levels remain high.

NREA

Merlin Prior reported on his attendance at the regular meeting of the NREA Board of Directors. Prior reviewed proposed legislation that would affect electric utilities.

EXECUTIVE SESSION

It was properly moved, seconded and carried to go into executive session to discuss personnel, a confidential business opportunity, confidential power supply matters, and Director compensation, with the following in attendance: All Directors present at the meeting, Manager Herman, staff present at the meeting, and Attorney Williamson. Staff left the meeting for the Director compensation discussion. It was properly moved, seconded, and carried to come out of executive session.

Leo Brekel left the meeting during executive session at 2:05 p.m.

MEETING ATTENDANCE

The directors discussed attendance at upcoming meetings.

PUBLIC COMMENT

There was no Public Comment.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 2:25 p.m.



SECRETARY



PRESIDENT