

HIGHLINE ELECTRIC ASSOCIATION  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
October 18, 2018

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 October 18, 2018.

ROLL CALL

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

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

Manager Mark Farnsworth and Attorney Levi Williamson were also present. Attorney Williamson recorded the minutes of the meeting.

AGENDA APPROVED

The Agenda was revised and approved as revised.

WAGES AND BENEFITS

Employees Jeff Blochowitz, Barb Holtzman, Darrin Manuello, and Derek Roberts addressed the Board. The employees requested a 5.5% wage increase. The employees left the meeting.

MINUTES APPROVED

The minutes of the September 20, 2018 meeting were approved as presented.

MANAGER'S REPORT

Manager Farnsworth presented graphs of kWh Purchased and kWh Sold through September 2018. Farnsworth presented the Ormat report for September. Highline recognized savings of \$10,790.42 in September and \$119,780.97 Y-T-D.

Director Aaron Sprague gave an update on issues related to the Republican River Water Conservation District.

MEMBER SERVICES

Manager Farnsworth presented the written Member Services report as prepared by Tad Huser.

ENGINEERING REPORT

Trent Loutensock presented the October Engineering Report. Loutensock reviewed construction projects. He reported on employee training for the new mobile substation. He presented pictures of the new mobile substation. The Chase substation LTC's were removed and voltage regulators were installed. Loutensock reported on the

results of substation testing and maintenance. Loutensock reported on the status of the AMI project.

#### OPERATIONS REPORT

Rance Ferguson presented the October Operations Report. Ferguson reported on substation testing, two new vehicles, results of the Federated inspection results, mobile substation testing, OSHA training, and line crew projects. He presented the Safety Report. There was one accident. Ferguson presented the outage report.

#### CORPORATE SERVICES REPORT

Dennis Herman presented the October Corporate Services Report. The Cushion of Credit balance was \$2,966,990.55 as of 9/30/18. Highline had \$6 million in CFC Commercial Paper and Select Notes as of 10/12/18. HEA paid \$1,342.19 in fees on \$129,809.19 worth of credit card payments in September. Herman reported on billing issues. He explained an inventory adjustment. He reported on RLF matters. He presented the Form 7, cash flow, and payroll.

#### POLICY 2-8

Manager Farnsworth presented Policy 2-3. It was moved, seconded, and carried that the policy be approved as presented.

#### POLICY 2-9

Manager Farnsworth presented Policy 2-9. It was moved, seconded, and carried that the policy be approved as presented.

#### SAFETY COMMITTEE REPORT

It was properly moved, seconded, and carried that the October Safety Committee Report be approved as presented.

#### APPROVE NEW MEMBERS

It was properly moved, seconded, and carried that the list of new members listed below be accepted as members of Highline.

Baney, Karen  
Gaston, Stephen  
Hamilton, Brandy  
Koellner, Greg  
Martin, Shay  
Mitchel, Sabrina  
Old Republic Insutries  
Peterson, Victor A.  
Rodriguez, Pablo Flores  
Shaddock, Henry  
Shopette

Chaney, Dale L.  
Hamilton Construction  
Jens, Rick  
Larson, Glen  
McConnell, Kyle  
Nelson, Liberty  
Peterson, Kitty  
Pippitt, Bryan  
Schneider, David  
Shaffer, Landon  
Swiger, John

#### CAPITAL CREDIT REFUNDS

It was properly moved, seconded, and carried that the following capital credit refunds and assignments be approved:

Pauline Cook \$ 4,529.24

## SUBORDINATION AGREEMENTS CONTRACTS AND RELEASE OF LIENS

It was properly moved, seconded, and carried that the following Subordination Agreements, Contracts, and Releases be approved:

### Subordination Agreements

Ryan Parry & Emily Parry  
Steven C., Kristine M., Michael S., Deborah R. and Calvin W.  
McClung  
Stanley A. and Janelle M. Cross-2

### Contract & Lien Releases

Betty Powell

## CONSTRUCTION CONTRACT

Trent Loutensock presented seven bids for the construction project in the Crook area. It was properly moved, seconded and carried to accept the low bid from Sturgeon.

## CYBER SECURITY

Manager Farnsworth presented the results of the cyber security audit, including recommendations for upgrades to Highline's cyber security.

Director Brad Stromberger entered the meeting at 10:55 a.m.

## EXECUTIVE SEARCH CONSULTANT

Dan Brewer, NRECA executive search consultant, gave a presentation regarding his services.

President Bennett recessed the meeting at 12:05 p.m. for lunch and reconvened the meeting at 12:52 p.m.

Director Ted Carter left the meeting.

## 2019 BUDGET

Manager Farnsworth presented the preliminary 2019 budget. Discussion followed.

## NRECA GOVERNANCE TASK FORCE REPORT

Manager Farnsworth presented the NRECA Governance Task Force report.

## LEXICON

Manager Farnsworth presented the Lexicon report, which discusses how cooperatives communicate with members.

## TRI-STATE

Director Brekel reported on his attendance at the regular meeting of the Tri-State Board of Directors. The Holcomb plant permit was extended by 18 months. Tri-State is searching for a

replacement for the current CEO. Tri-State purchased Heartland's 3% share of Laramie River Station. Brekel reviewed Basin's financial forecast. The Policy 115 committee discontinued meeting. Tri-State will reconvene the contract committee.

CREA

Director Lueck reported that there was no regular meeting of the CREA Board of Directors.

WESTERN UNITED

There was no regular meeting of the Western United Board of Directors.

NRECA REGION 7 MEETING

Directors Lueck and Miller reported on their attendance at the Region 7 meeting.

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 discussions regarding the General Manager search and employee wages, with the following in attendance: All directors present at the meeting, Attorney Williamson and Manager Farnsworth. It was properly moved, seconded and carried to exit executive session.

Directors Brekel and Sprague left the meeting.

It was properly moved, seconded and carried to hire Dan Brewer as executive search consultant.

PUBLIC COMMENT

There was no public comment.

EMERGENCY BUSINESS

There was no emergency business.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 4:05 p.m.

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SECRETARY

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PRESIDENT