

**YAMPA VALLEY ELECTRIC ASSOCIATION, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS**

The Board of Directors of Yampa Valley Electric Association, Inc. convened at 32 Tenth Street, Steamboat Springs, Colorado at 9:00 a.m. on October 18, 2013, for an Executive Session of the Board of Directors prior to the regular board meeting.

Chairman Dean Brosious reconvened the meeting of September 20, 2013. Chairman Brosious declared all business was concluded and upon motion being duly made and seconded, the September 20th meeting was adjourned. The Chairman then called the October 20, 2013 meeting to order. The board then entered into Executive Session to discuss the results of the Strategic Planning Session and the new building, along with other items. Board members; Diane Johnson, General Manager; Tom Sharp, attorney for the Association, and Randi Owens were in attendance during such executive session.

Upon calling the roll, it was reported the following directors were present: Dean Brosious, Mike Brinks, Larry Ellgen, Tom Fox, Russ Garrity, Pat McClelland, Scott McGill and Glynda Sheehan.

Such executive session convened at approximately 9:00 a.m. The board ended the executive session and returned to its public meeting session, after a lunch break, at approximately 1:00 p.m.

General Manager Diane Johnson, Attorney Tom Sharp, Bob Hood, Robert Miller, Lisa Myers, Melissa Watson, Marty Hinson, Randi Owens and Rex Stafford, Journeyman Lineman, were in attendance. Two co-op members, Jeff Troeger and Paul Poyten were also in attendance.

The board considered approval of the minutes of the previous meeting. Upon a motion being duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the previous meeting are approved as amended.

The Chairman asked if there were any public comments.

Paul Putyen proposed interested members of YVEA staff and board to join in a working-group involved with community outreach events. Ms. Johnson commented that YVEA has already voiced interest in being a part of the community outreach working-group.

Jeff Troeger stated that the CEC/YVEA Solar Garden website was up and running. He wanted to encourage YVEA to publicize this opportunity more. Ms. Johnson commented that though an official launch has not occurred yet, there were plans to officially begin publicizing the project in November.

The Chairman asked if there were any director comments. Mr. McClelland provided an overview of the regional meeting he attended. He noted that the primary message of the meeting was the necessity of coops to recognize the changing demographics of their member-owners and employees.

Mr. Brinks provided an anecdote of a member-owner who was appreciative of the work YVEA did to get her power back on during the outage. Ms. Sheehan echoed Mr. Brinks' comment by adding that she had heard from numerous member-owners in Snake River being pleasantly surprised by the speed at which their power was restored.

Mr. McGill provided an update on his personal experience with iCast.

Chairman Brosious recognized Director Mike Brinks on the successful completion of have all requirements for the NRECA Credentialed Cooperative Director Certificate.

Chairman Brosious asked Mr. Robert Miller to give the Financial Report. Upon a motion being duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the financial and statistical reports be and hereby accepted as presented.

The Chairman moved the discussion to Rate Adjustment and Contract. Ms. Johnson commented that large power customers have been reviewed and stated the need a change in tariff that better reflects how these member-owners use power. Ms. Johnson recommended the board to accept the change in tariff.

Upon a motion being duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that authorization be granted to the staff to amend the tariff to read “60 minutes;” authorize the publication of the tariff on Sunday, October 20; delay the November board meeting to a date that falls after November 20th; and to table the discussion and approval of related contracts until the November board meeting.

Chairman Brosious consulted with the board of directors and it was agreed that November’s board meeting be moved from Friday, November 15th to Friday, November 22nd.

Chairman Brosious asked the board to vote on the revision to the 401k plan, where YVEA would match 100% of employee’s contribution (up to 3%) and would match 50% of an employee’s contribution beyond the 3%, but not exceeding 5%. Ms. Johnson noted that this decision recognizes YVEA’s desire for employees to take responsibility for their futures. Upon a motion being duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the revision to the 401k plan be implemented for the 2014 calendar year.

Chairman Brosious moved that the Board (i) approve the Aviator property purchase contract (including counter offer) signed by the manager, and ratifies the manager’s execution of such contract on behalf of the Association, and (ii) authorizes the manager to take all actions and execute all documents and make all payments from Association funds necessary or proper to complete performance of the contract and acquisition of the Aviator property, including making any non-material changes in the contract (without increasing the purchase price) which become reasonably necessary to complete the acquisition. Upon a motion being duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that Ms. Johnson is authorized to move forward with respect to the purchasing of the Aviator property as previously stipulated.

Chairman Brosious asked the board to approve the increase of the attorney retainer that is equal to the increase provided to employees of 2.8% for 2014. After some discussion, it was agreed that the attorney retainer is the only rate that requires the increase of 2.8% and the other rates do not need to be included in the policy. Upon a motion being duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the 2.8% increase to the attorney retainer be applied for the 2014 calendar year with the omission of hourly rates entirely.

Chairman Brosious called on any reports from Staff.

Mr. Bob Hood, Interim Operations Manager, discussed operations and safety. Mr. Hood stated that Friday’s storm had caused the construction to fall behind. He noted that there were several permanent repairs and clean-up necessary from the storm, therefore, it has become necessary to give more work to contractors to meet member-owners’ needs. Mr. Hood reported no accidents for September. Mr. Hood updated the board with respect to work being done on several transformers. Mr. Ellgen requested the Safety Report be moved ahead of the Construction Report.

A motion was made, seconded and unanimously adopted to accept the safety report as presented.

RESOLVED, that the Safety report for October and year-to-date be accepted as presented.

Mr. Marty Hinson presented the Engineering report. Mr. Hinson reported that an interconnect agreement and invoice have been sent to CEC regarding the Solar Garden. He noted he had already ordered a transformer for the project. Mr. Hinson summarized the construction report and noted that thirty-three circuit miles have been replaced this year. Mr. Hinson recommended keeping up this pace in the future. Mr. Hinson concluded his report by stating that he was close to completing his long-range plan and the flash hazard analysis.

A motion was made, seconded and unanimously adopted to accept the Engineering report.

RESOLVED, that the Engineering reports for August and year to date be accepted as presented.

Ms. Lisa Myers presented the third-quarter Headcount and Staffing report. She added that an offer for Operations Manager has been extended. Ms. Myers noted there were still some vacancies with respect to linemen. Ms. Myers did announce that two employees were promoted during the third quarter: Ed Pierce to Materials and Facility Supervisor and Eddie Magee to Districts Supervisor. Ms. Myers also announced the staff and board Christmas party on December 7th at the Ore House. Upon a motion being duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Human Resources report for October and year-to-date be accepted as presented.

Ms. Melissa Watson gave the Member Services report. Ms. Watson commented that two applications and twenty grant applications had been submitted after the Caring Consumer advertisement had been posted. Ms. Watson noted that the member service survey results would be presented at the November board meeting. Ms. Watson is currently working on the November newsletter which will highlight the Youth Tour, tree trimming responsibilities, as well as, introducing a new program, Create-A-Card Contest. Ms. Watson stated that YVEA would participate in the downtown Halloween community event. Halloween bags have also been distributed to the elementary schools and libraries. Ms. Watson announced that the Steamboat office would be decorated with holiday lights and a large wreath in an attempt to join in the downtown business holiday efforts. The Craig building would also have lights on display. Ms. Watson commented that she is currently looking into the new regulations in effect regarding our outbound calling system.

A motion was made, seconded and unanimously adopted to accept the Member Services report as presented.

RESOLVED, that the Member Services reports for October and year-to-date be accepted as presented.

Chairman Brosious asked Mr. Scott McGill to give the CREA report. Mr. McGill noted that there was no meeting and, therefore, had nothing new to report.

Chairman Brosious asked for the Western United report. Mr. Scott McGill reported that the September financials are in and appear positive.

Chairman Brosious asked for any unfinished business. There was no unfinished business.

Chairman Brosious asked for any new business. There was no new business.

Chairman Brosious asked for any further discussions. There was no further comment. The board recessed the regular meeting of the Board of Directors of the Yampa Valley Electric Cooperative at 2:18 p.m. until reconvening at the November 22nd meeting.

Secretary

APPROVED:

Chairman of the Board