

**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 September 20, 2013. Chairman Dean Brosious reconvened the recessed meeting of August 16, 2013.

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

After the Chairman declared the August recessed meeting of the board open, a motion was made and duly seconded and passed unanimously that the board of directors go immediately into an executive session under "new business" to discuss employee compensation and benefits, as well as, building updates. Board members; Diane Johnson, General Manager; Tom Sharp, attorney for the Association; and Lisa Myers were in attendance during such executive session. Such executive session convened at approximately 9:00 a.m., and the board ended the executive session and returned to its public meeting session, after a lunch break, at approximately 1:00 p.m. Upon closing the executive session, the Chairman Dean Brosious declared that all business of the recessed August 16, 2013, board meeting was concluded and called for a motion to adjourn. Upon motion being made, duly seconded, and passed unanimously, the recessed board meeting of August 16 was adjourned.

The Chairman then called to order the September 20 board of directors meeting at 1:00 p.m.

General Manager Diane Johnson, Attorney Tom Sharp, Marty Hinson, Robert Miller, Lisa Myers, Melisa Watson, Bob Hood, Randi Owens, Dispatcher Tracey Munden and Lineman Jason Meits were in attendance. Two co-op members, Jeff Troeger and Candace Noriega 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. There were no public comments.

The Chairman asked if there were any director comments. Tom Fox noted that a large section of power went out in Steamboat during the Broncos game. Glynda Sheehan commended both the Craig and Steamboat front offices for being helpful and courteous. Scott McGill supported Ms. Sheehan's commendation.

Chairman Brosious asked Mr. Robert Miller to give the Financial Report.

Larry Ellgen had a question concerning pension pre-payment. Robert verified that all necessary paperwork had been filed. 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. Diane Johnson commented that large power customers are being reviewed and stated a need to consider a change in tariff to be reviewed in October's meeting. Dean Brosious inquired about the reception of a tariff change and Ms. Johnson confirmed it was positive.

Chairman Brosious called on any reports from Staff.

Mr. Bob Hood, Interim Operations Manager, discussed operations and safety. Mr. Hood reported August was a busy month. Mr. Hood is working on plan with Mr. Hinson to correct fault problems, not simply repair them. Chairman Brosious commented that the cost of outages and overtime verses replacing cable was certainly more expensive. He noted that many may not want to see large expense for construction costs, but that construction costs were most likely smaller than repair costs over time.

Mr. Hood reported no accidents for August, though one vehicle hit a deer.

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

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

Mr. Marty Hinson presented the Engineering report. He confirmed that they have completed all electrical projects for Shell who is no longer in need of YVEA's services. Mr. Hinson reported that he was working on an interconnection agreement with the CEC regarding the solar project. Mr. Scott McGill sought clarification regarding the nature of an interconnection agreement. It was verified that such agreement recognizes both partners' systems mainly as a safety precaution for both parties. Mr. Hinson concluded by reporting that they were still working on capital projects for 2013 and should finish those projects by the first of November.

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 had nothing to add to the Human Resources report.

Ms. Melissa Watson gave the Member Services report. Ms. Watson shared that October was National Co-op Month and to celebrate, every Friday, complimentary snacks and beverages would be available in the lobby for members. Cards have been made and given to linemen to pass out while interacting with members during the month of October. Ms. Watson reported that they have put out an ad to recruit another board member for Caring Consumers, in addition to an ad targeted to members wanting to apply for a Caring Consumers' grant. There was some clarification on how and who can apply for the grant.

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

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

Chairman Brosious provided an update on the KRTA report, explaining that the report compares YVEA to other coops across the country. The Chairman suggested that everyone review the document at their leisure and make note of any item they would like to discuss at the next meeting. There was some brief discussion concerning the executive summary and preliminary discussion of the report.

Chairman Brosious asked Mr. Scott McGill to give the CREA report. Mr. McGill gave his account of the two-day meeting held last month. Mr. McGill also reviewed the Senate Bill 252, the Youth Leadership Camp in Clark, Pedal the Plains, and suggested protocol in the case of a forest fire. There was some general discussion as to whether YVEA should subscribe to a national coop magazine.

Chairman Brosious asked for the Western United report. Mr. Scott McGill reported that the September financials are in, but have not been reviewed.

Chairman Brosious asked Mr. Pat McClelland to give the Paradigm report. Mr. McClelland provided a summary of Paradigm's financial status and the hope to get more properties sold in the future.

Chairman Brosious asked for the BTA report. There was no new information to report.

Chairman Brosious asked for any Unfinished Business. Mr. Tom Fox requested an update on the Catamount project. Ms. Diane Johnson reported that they are continuing to work with John Holloway who is working to determine what their costs will be.

Chairman Brosious asked for any New Business. Mr. Scott McGill provided information on his personal and professional experience with iCAST.

Ms. Glynda Sheehan requested a staff introduction of YVEA employees attending the meeting. Jason Meints introduced himself as a lineman who had been with YVEA for six years and Tracey Munden introduced herself as a dispatcher who had been with YVEA for nine years.

Chairman Brosious updated attendees about Unit One at the Craig plant being down indefinitely.

Ms. Diane Johnson reported that she had been in contact with those affected by flooding through CREA to offer aid. No aid has been requested thus far mainly due to a break-down in infrastructure. There was a brief discussion on the protocol for sending aid to fellow coops.

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 2:25 p.m. until such time as may be necessary to reconvene.

Secretary

APPROVED:

Chairman of the Board