

**Yampa Valley Electric Association, Inc.**  
**Regular Meeting of the Board of Directors**  
Friday, December 20, 2013 – 11 AM  
32 Tenth Street

The Board of Directors of Yampa Valley Electric Association, Inc., re-convened at 32 Tenth Street, Steamboat Springs, Colorado at 11:00 a.m. on December 20, 2013. Chairman Dean Brosious reconvened the recessed meeting of November 22, 2013.

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

After the Chairman declared the November 22, 2013 recessed meeting of the board of directors re-opened, 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 consider documents and testimony given in confidence, and the general topics of such executive session will be to discuss and consider (pending and potential property acquisitions, personnel matters, pending or threatened litigation, etc). Board members, Diane Johnson, General Manager, Tom Sharp, general counsel for the Association, and Randi Owens 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 at approximately 1:00 p.m. Upon closing the executive session, the Chairman declared that all business of the Recessed Meeting was concluded and called for a motion to adjourn. Upon motion being made, duly seconded, and passed unanimously, the Recessed Meeting was adjourned.”

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

**1. Call to Order**

**a. Present:** Directors: Dean Brosious, Pat McClelland, Frank Roitsch, Russell Garrity, Tom Fox, Mike Brinks, Glynda Sheehan, Larry Ellgen, Scott McGill; General Manager, Diane Johnson; Managers, Robert Miller, Steve Johnson, Lisa Myers, and Melissa Watson; Also present, Randi Owens & Tom Sharp, general counsel,

**b. Absent:** Manager of Engineering, Marty Hinson

**2. Executive Session – Deferred to “new business” upon any reconvening.**

**3. Approval of Minutes**

A motion approving the minutes from the November 22<sup>nd</sup> meeting with corrections was made and passed with a unanimous vote.

**4. Public Comment**

No public visitors attended this meeting.

**5. Director’s Comments**

Mr. McGill noted that he learned from his time at the retiree luncheon, that YVEA had sent a lineman sometime in the 1970s to help with international relief aid. He was killed in an auto accident overseas and that has been the last time YVEA has sent aid overseas.

Mr. Brosious commented that he had asked a few of the retirees when major improvements were last made to the Maybell Substation. He said that the gentleman responded that it had not occurred in his time, thus it must have been prior to 1961.

**6. Action Items**

**a. Board Policy No. 1-2**

Mr. Fox presented a case for moving the regular board meetings from Fridays to Thursdays. Mr. Garrity recommended the board also discuss changing the attire to business casual for monthly meetings. After a brief discussion, a motion changing the monthly regular meeting date from the third Friday to the third Thursday of each month and changing the dress code to business casual was made, seconded, and passed. This new policy change is effective next meeting.

**b. Board Policy 3-1**

Mr. Garrity moved that the Board remove Bob Hood as an authority to sign on the General Operating, Capital Credits, and Payroll accounts and to add Steve Johnson as a designated signer on behalf of the Association. This motion was seconded and carried with a unanimous vote.

**c. Approval of Work Plan and Budget**

Ms. Johnson opened the floor for directors to ask questions or make comments concerning the 2014 work plan and budget. She noted that since the financial forecast provided new insight into YVEA's financials, she recommended the board authorize routine spending for the first few months of 2014. This would give staff time to reconsider the budget and the potential effects of the five-year forecast. There was some clarifying discussion regarding changes made to the budget and the history of capital credit retirement. A motion was made by Roitsch, seconded by Garry, authorizing routine spending in January and February with the following provisions: a hold on hiring for positions not yet posted and a hold on beginning major projects. The motion passed unanimously.

**d. Approval of Write-off of Uncollectible Accounts**

A motion to approve the write-off of uncollectible accounts was made by McGill, seconded by Ellgen, and passed with a unanimous vote.

**e. Authorization to GM- Execution of Contract**

Mr. Fox moved that the Board (i) approve the Contract for Electric Service with Trapper mine, Inc. and (ii) authorizes the manager to execute such Contract on behalf of YVEA and to take all actions and execute all related documents necessary or proper to finalize and implement such Contract, including making any non-material changes in any of the Contract (without increasing the pricing terms) which become reasonably necessary to complete the finalization of such contract. The motion was duly seconded and passed unanimously.

**7. Acceptance of the Financial and Statistical Report**

A motion accepting the financial and statistical report for December was made by Ellgen, seconded by McGill, and carried with a unanimous vote.

**8. Information Items**

**a. Staff Reports**

**i. Operations**

Mr. Johnson noted that there was a safety incident this month. A lineman had cut his hand while stripping a cable and required stitches. He clarified that the proper equipment for this task was not utilized and that communication to help standardize the process would help the Association avoid incidents like this in the future.

There was some discussion about the YVEA's policy and other institution's policies when it comes to the use of covered meters. Ms. Johnson made a note to further investigate this issue and work with staff to resolve any misinformation or communication.

Mr. Johnson also reported about an incident with the building that occurred earlier in the week. Water had built up on the roof and was leaking into the building in several areas. Unfortunately, it leaked into the computer server room and caused significant damage to equipment. He noted that they were working to file an insurance claim and any replacement equipment purchased would be purchased with the new building in mind.

**ii. Engineering**

Mr. Hinson was absent for the meeting, but the board was encouraged to review the engineering and construction reports uploaded to Call to Order for reference.

**iii. Human Resources**

Ms. Myers shared that at the December All-Employee meetings length of service awards were given to employees who had completed 25+, 15, 10, and 5 years of service to YVEA. She also provided a hiring update, which included making an offer to a lineman, interviewing for a marketing coordinator, and beginning the selection process for an accounting clerk.

**iv. Member Services**

Ms. Watson shared that YVEA helped sponsor lighting contests this year and hopes to be a part of the judging panel next year. She also informed everyone that the first issue of Colorado Life will go out in January with a postage-paid reply card to get member feedback. January will start a three-month trial period with Colorado Life. Ms. Watson also shared that they are working on finalizing Smart Hubb, which will replace e-bill, resolving member concerns and issues with e-bill.

A motion was made by McClelland, seconded by Fox, and passed with a unanimous vote to accept all staff reports.

**b. Board Policy No. 1-11**

Ms. Johnson presented Board Policy regarding corporate officers to the board to seek clarification and resolution. Mr. Sharp noted that historically the secretary and treasurer have always been filled by staff and that there was not statutory requirement that those positions needed to be filled by directors. The directors asked Ms. Johnson to come back with recommendations as to which positions should be filled by staff and/or directors as well as whom she recommends for the Vice President, Secretary, and Treasurer positions.

**9. Building Committee Report**

Mr. Fox moved that the Board (i) approves the sale price for a property currently owned by YVEA (ii) authorizes the manager to execute a Letter of Intent (LOI) with the interested party on behalf of YVEA and to take all actions and execute all related documents necessary or proper to finalize and implement such a Letter of Intent, including making any non-material changes in any of the LOI presented at the November board meeting which become reasonably necessary to complete the finalization of such LOI and (iii) authorizes the manager to negotiate material portions of the LOI including the sale. This motion duly seconded and was passed with a unanimous vote.

Mr. Brosious moved that the Board (i) authorizes the manager to execute a Letter of Intent (LOI) for a property on behalf of YVEA and to take all actions and execute all related documents necessary or proper to finalize and implement such Letter of Intent, including changes in any of the LOI which become reasonably necessary to complete the finalization of such LOI in order to reasonably determine feasibility of the property, conduct a Phase 1 Environmental Assessment and secure an appraisal on the property, all in an effort to determine if YVEA should make an offer on such property (iii) authorizes the Manager to initiate and pay for studies, assessments and appraisals as needed to determine the feasibility of such property and whether making an offer on such property is recommended. This motion was duly seconded and was passed with a unanimous vote.

**10. BTA Report**

Mr. McGill provided an update regarding efforts made to disband BTA. He discussed the acceptance and distribution of monies and the formal closure of the entity.

**11. Paradigm Services Report**

Mr. McClelland had no news to report.

**12. CREA Report**

Mr. McGill presented a potential CREA resolution that he needed direction from the board as to how to vote upon such resolution at the next meeting. He noted that CREA provided no recommendation either way for this particular resolution. Mr. McGill shared that those opposed to this resolution view it to be very staunch and redundant as several prior resolutions touch upon the aspects of the proposed resolution. Mr. Fox expressed his opposition to this resolution. Mr. McClelland commented that he thought the nature of the resolution was covered by the 14<sup>th</sup> resolution. Mr. Sharp noted that YVEA is under specific terms of contract with Xcel and agreement with this resolution is not consistent with the power purchase contract YVEA has with Xcel. The board reached consensus not to support this resolution.

**13. Western United Report**

Mr. McGill noted that this entity continues to improve financially. He noted that during the director’s forum that there was a consistent theme of directors who had experienced extreme load variations with oil and gas developments. He cautioned the directors to beware of these types of developments.

**14. Other Items**

**a. Unfinished Business**

There was no unfinished business.

**b. New Business**

Mr. Roitsch shared that CREA is hosting a director’s orientation and expressed his desire that directors who are qualified to go, should attend.

**c. Recess**

A motion to recess the regular meeting of the directors of Yampa Valley Electric Association was made by Mr. Ellgen, seconded by Mr. McClelland, and was passed.

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Chairman of the Board

Dated: January 16, 2014

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Secretary of the Board

Dated: January 16, 2014