

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

The Board of Directors of Yampa Valley Electric Association, Inc. convened at the Hayden High School on June 15, 2013, immediately following the Annual Meeting of Members.

Chairman Dean Brosious reconvened the meeting of May 17, 2013, declared all business was concluded and upon motion being duly made and seconded, the May 17th meeting was adjourned. The Chairman then called the June 15, 2013 meeting to order.

Chairman Brosious congratulated Mr. Frank Roitsch on retaining his seat for Director District #5. 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, Glynda Sheehan and Frank Roitsch.

Interim General Manager Dan Brewer, Attorney Tom Sharp, Robert Miller, Lisa Myers, Jody Cork, and Melissa Watson were in attendance.

The Board considered approval of the minutes for 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 be approved as amended.

The matter of election of officers for the ensuing year was brought up for consideration. Upon a motion being duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the following be named the officers of Yampa Valley Electric Association, Inc: Dean Brosious, Chairman of the Board; Pat McClelland, Vice-Chairman of the Board; Dan Brewer, President and General Manager; and Robert Miller, Secretary and Treasurer.

Mr. Pat McClelland commended Mr. Brosious on the great leadership of the board for the past year.

Mr. Frank Roitsch asked about merit reviews for employees. Mr. Brewer stated that performance reviews have not been done in the past, but plan to do them in the future.

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

Mr. Miller reported that YVEA had a fairly good month. Glynda Sheehan stated that she likes the Executive Summary. Mr. Ellgen asked about the cash flow deferred expenses, and Mr. Miller informed him that we took cash out to finance the Pension prepayment, but the equity did not change. Mr. Miller also stated that when we borrow the money to finance the Pension prepayment, the equity will change. 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.

Mr. Brewer said he talked to the consultants on the rate study and there should be a conference call late next week with the results and a complete report by the end of the month. Two representatives from Peabody will be here Monday to discuss it. Mr. Brewer asked how the Board wanted to receive the cost of service presentation. Mr. Brewer said that Jeff Troeger asked if there would be a presentation. It was decided that the consultants would attend the next Board meeting and present their study results. Mr. McGill said he would like a written report before the meeting. Mr. McClelland advised the Board to review and discuss it in Executive Session first. Mr. McGill asked Mr. Sharp if it would be proper for an Executive Session, and Mr. Sharp replied that the Board should review it in Executive Session and have a confidential report.

Mr. Brewer talked about the numerous complaints on the employee survey about equipment. Craig has well equipped trucks but Steamboat does not. The Line Superintendents were asked what they need and want. Mr. Headden is still looking at what Steamboat needs. Mr. Brewer talked to Mr. Eddie Magee, Line Superintendent for the Craig district and Mr. Magee said they have a truck that has 80,000 miles on

it and they have done \$197,000 worth of repairs on the vehicle since it was new. Mr. Magee feels that this vehicle needs to be retired. Mr. Brewer said this vehicle has been out of service for a total of 10 months and feels the need to make a budget amendment to replace this vehicle. Mr. McGill asked how long it would take to replace this vehicle and Mr. Brewer stated that it would probably take 12 months. Mr. Fox questioned how you trade in a vehicle when you still need to use it. Mr. Brewer stated that we will not trade until we need to. Mr. McGill mentioned that maybe we need to lease one.

A motion was made, seconded and unanimously adopted to make an amendment to the YVEA Budget to allow for the Craig bucket truck to be traded in and purchase a new one. Mr. Roitsch added that he would rather see YVEA sell the bucket truck instead of trading it in. The Board decided to sell or trade whichever will be the best at that time.

Mr. Brewer mentioned that Co-ops across the country are donating money for the Oklahoma tornado and mentioned that YVEA sent a \$1,500 contribution. Mr. Fox asked about Black Forest and wanted to know if they were served by a co-op. Mr. Fox stated that he thought we need to consider our own back yard before sending more money out of the state.

Mr. Brewer has a draft appraisal for the new building in Steamboat and wants to know where the Board stands. Mr. Brosious said that the Board would need to discuss it in Executive Session.

Mr. McClelland asked about the Special meeting on June 27th, and Mr. Brewer informed him that they would be talking about a variety of things. The architect has questions on the layout of the building, and the Board's perspective on the new headquarters facility. The architects want to talk to the Board about the remaining property and how to proceed with that.

Mr. Brewer stated that he would send out an Agenda for the Special meeting to be held on June 27th at 9:00 a.m.

Ms. Glynda Sheehan asked about the pieces of equipment YVEA has in the yard that are damaged. Mr. Brewer said they were told that it was junk, and we would try to get an analysis done before we scrap it.

Mr. Garrity asked Mr. Brewer if they had any luck selling the REC's. Mr. Brewer said that Mr. Hinson had taken care of it.

Mr. McGill asked about our contract with Ponnequin expiring. Mr. Roitsch said the contract expires in 2013 or 2014, but we need to double check on when it really does expire. Mr. Miller stated that the REC's are not subject to resale.

Chairman Brosious called on any reports from Staff.

Mr. Hood gave the Operations report and thanked the Board and Mr. Brewer for giving him the opportunity to be here. He reported that in May we had the most number of hours worked and the most miles driven with no accidents.

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

Mr. Hinson was not present to give the Engineering report. Mr. Fox asked if the project in Butcherknife Creek was complete. Mr. Brosious stated that another contractor had been called in to complete the Butcherknife project, and as he recalled the only thing remaining was to remove the cable TV pole attachments.

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

Ms. Lisa Myers gave the Human Resources reports and talked about the turnovers that we have had at YVEA.

Mr. Roitsch stated that the Operations department has YVEA's largest group of employees, and he wanted to know why we are down five linemen. Mr. Brewer said we are recruiting for lineman, but it is difficult, and he has asked Mr. Hood and Ms. Myers to investigate how YVEA can improve such

recruitment. Mr. Brewer stated that our turnover rate is really high for a co-op. Mr. Hood and Mr. Brewer are not yet prepared to give the Board any recommendations regarding employee recruitment, but believe that it is very healthy for the organization to have apprentices, and Mr. Magee will be meeting with a potential candidate for apprenticeship.

Ms. Myers said that we have two new employees Nick Amidei and Bob Hood. She mentioned that she had received 25 applications for the Manager of Operations position. Ms. Myers also said that they had 3 phone interviews for the Substation Technician position. However, no job offer has been made

Ms. Myers said we hired the new seasonal laborers, and also mentioned new hires Melissa Watson and Shawn Stoehr. Ms. Myers asked the Board if they would like to see the same reports and they stated that they would like to see a quarterly report.

Mr. Brewer and Ms. Myers met with Mr. Ben Vannoy and spent some time resolving some issues he had.

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

Ms. Melissa Watson gave the Member Services report. She mentioned that she would like to do more marketing and reaching out to the members to let them know about being in a co-op. Mr. McGill asked about energy audits and Mr. Roitsch asked if they were free audits. Ms. Watson stated that they are free audits and that she has a program that she used at her co-op that she thinks will work well for YVEA.

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

Chairman Brosious asked for any unfinished business. Mr. Sharp recommended to the Board that the Board ratify Diane Johnson's employment contract which has been finalized. A motion was made and seconded to ratify and approve the Diane Johnson employment contract and authorize Mr. Dean Brosious to sign the Employee Agreement on behalf of YVEA. The motion was approved by a vote of 8 in favor and 1 against.

A discussion was held about who should be authorized to sign the loan documents for the Pension fund prepayment when they become available. A motion was made, seconded and adopted to approve having YVEA borrow from CFC for the amount paid by YVEA for the Pension fund prepayment and that the Certificate of Resolutions and Incumbency document be modified to recite that the Interim General Manager and Secretary/Treasurer be authorized to sign the loan documents, as follows:

RESOLVED, that the loan to borrow money in the amount of the Pension fund prepayment be made with CFC and the Certificate of Resolutions and Incumbency document be signed by Interim General Manager, Dan Brewer and Secretary/Treasurer, Robert Miller.

Mr. Brewer talked about an overlap period with Diane Johnson and wanted guidance from the Board on how long he should stay on under his interim independent contractor agreement. The Board decided to let Mr. Brewer use his discretion on how long he needs to stay, and to review that duration at the August regular board meeting.

Mr. McGill gave the Western United report. He also talked about BTA and the decision to send out bids to sell the Denver and Las Vegas licenses. Three of the four entities owning membership in BTA wanted to dissolve the BTA LLC and Mtn. Parks voted not to dissolve it.

Mr. McGill also attended the CREA meeting and took a tour of the Holy Cross substation and headquarters, and stated that all the equipment is indoors and it was interesting to see what they did to modernize their facility. Mr. McGill talked with the Assistant Manager and he said they work 4 nine-hour days with some employees taking a half-day on Monday and some on Friday. The Assistant Manager is very pleased with how well the 9 hour days work and also mentioned that they tried to work 4 ten-hour days, but it did not work out.

Mr. McGill mentioned that Kent Singer would like suggestions on what subjects to talk about at the Energy Summit.

Chairman Brosious asked for any new business. Mr. Tom Sharp followed up on the Civil Unions Bill and stated that the new act in Colorado prohibits certain agreements or bylaw settings against same sex couples as joint members. Mr. Sharp stated that we will need to revise YVEA's By-laws to conform to the new act, but he believes that we do not have to go to the membership to have it approved. Mr. Sharp

stated that he intended to have suggested amendment wording available to the Policy Committee when they meet in October of this year.

Attorney Sharp then advised the board that he had drafted, pursuant to Board direction, a resolution amending the Bylaws of the Yampa Valley Electric Association Caring Consumer Foundation, which deletes the requirement that the Chairman and Vice-Chairman of YVEA board must be members of the Caring Consumer Foundation board. Such amendment provides that there shall be five directors of the Caring Consumer Foundation, four of whom shall be appointed by the Board of Directors of YVEA and one of whom shall be either the General Manager of YVEA or a member of the YVEA Board, as selected by the YVEA Board. A copy of such proposed resolution is attached to these minutes. Such resolution may be considered by the Board for adoption at its regular July Board meeting. The Board members present acknowledged that a copy of such proposed amendments has been provided to each director of the YVEA Board as well as the Board of the Caring Consumer Foundation no less than thirty days before such scheduled July meeting.

At 1:08 p.m. a motion was made and duly seconded and passed unanimously that the board of directors go immediately into an executive session pursuant to CRS §40-9.5-108 for consideration of the appraisal on the existing YVEA facility.

The board ended the executive session and there being no further business, the meeting was recessed until such time as may be necessary to reconvene.

Secretary

APPROVED:

Chairman of the Board