

**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 11:00 a.m. on February 15, 2013 for the regular meeting.

Chairman Dean Brosious reconvened the meeting of January 18, 2013, declared all business was concluded and upon a motion being duly made and seconded, the January 18th meeting was adjourned. The Chairman then called the February 15<sup>th</sup> meeting to order.

Upon calling the roll, it was reported that the following directors were present: Mike Brinks, Dean Brosious, Russ Garrity, Pat McClelland, Scott McGill, and Glynda Sheehan. Larry Ellgen, Tom Fox, and Frank Roitsch were not present.

After the Chairman declared the February meeting of the board open and the agenda for the meeting was approved, 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 documents and testimony given in confidence, and for the general topic of personnel matters. Board members and Dan Brewer, Interim Manager candidate, were in attendance during such executive session. Such executive session convened at approximately 11:10 a.m., and the board ended the executive session and returned to its public meeting session, after a lunch break, at approximately 12:40 p.m.

General Manager Larry Covillo, Attorney Tom Sharp, Bill Caynor, Todd Chapman, Marty Hinson and Robert Miller were in attendance. Interim Manager Dan Brewer and one member were also in attendance.

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

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

The Chairman asked if there were any public comments. There were no public comments.

Chairman Brosious asked if there were any director comments. Director McClelland reported his conversation with a rancher in his district that wanted to thank YVEA for keeping the rates low and doing a good job.

Mr. Covillo asked Mr. Caynor to present the safety report for the month of January. In the month, there were 10,049 hours worked with zero "lost-time" and one "no-lost time" injuries reported. There were 32,735 miles driven in the month with zero vehicle accidents reported. A motion was duly made and seconded that the safety report be approved as submitted. Director McClelland questioned why the electrical contact in Craig was not reported. Mr. Caynor stated that it was an oversight and he would correct the report. Chairman Brosious asked that the motion be amended to accept the report with the correction. The motion was duly made and seconded to accept the report with the noted correction.

In his General Manager's report, Mr. Covillo updated the board on the Xcel Energy rate cases. He reported that the conference in Washington, D.C. was cancelled. A technical conference was held in Denver resulting in a move to cancel the scheduled FERC hearing. The parties continue to work towards a settlement that can be presented to the FERC staff. A 206 Complaint to reduce the rate of return will be filed in the production rate.

Mr. Covillo stated that YVEA and the Clean Energy Collective (CEC) have reached a preliminary understanding on several of the outstanding issues on the contract for the community solar garden. However, Mr. Covillo referred to recent legislation introduced at the state house regarding rebates that the board will need to review, as this injects a new issue into the contract negotiations. A copy of the proposed legislation was distributed to the board members and will be discussed in Executive Session at the New Business section of the agenda.

Mr. Covillo asked Bill Caynor to give the Operations Report. Mr. Caynor reviewed the construction, maintenance, outages, line contractor activities, tree trimming, and training for January in the Steamboat Springs and Craig offices. One question was asked as to who attends the OSHA 10 hour training course. Mr. Caynor stated that it would include any employee that works with energized equipment. A motion was duly made, seconded and unanimously passed to accept the report as presented.

Mr. Covillo asked Marty Hinson to give the Engineering Report. Mr. Hinson reviewed the January work order activity for Steamboat and Craig. He reported that work on circuits out of Mt. Werner 2 and 3 are ongoing as listed in the 2013 work program budget. He stated that a field inspection and review was conducted by the Wyoming Public Service Commission with very good results. Intermountain Electric Service is transferring services and taps and expects to finish the third week of February. A question was asked as to the timetable for other utilities to move their equipment. Mr. Hinson stated that the remaining lines are Comcast cable and should be relocated in the spring after the snow melt. A motion was duly made, seconded and unanimously passed to accept the report as presented.

Mr. Covillo asked the board to identify who would attend the NRECA Legislative Conference. It was determined that the Chairman, Vice Chairman, and Interim General Manager Dan Brewer would attend.

At the previous request of board members, Mr. Covillo presented signed copies of the book titled *Green Illusions*. The book will be available in the co-op's library.

Chairman Brosious asked Member Services Committee Chairman Mike Brinks to give the committee's report. Mr. Brinks reviewed the over-all positive results of the 2012 New Construction survey. Mr. Brinks also reported that the proposal for the 2013 Member/Commercial Satisfaction and Attitude Survey was presented for information only and the survey will be a hybrid telephone and internet survey conducted this spring. A motion was duly made, seconded and unanimously passed to accept the report as presented.

Mr. Covillo distributed copies of the 2012 In Retrospect as well as noted it was available on their Ipads. He went through the highlights of the past year and noted that this report goes into much greater detail than the monthly board reports.

Chairman Brosious recognized Sarah Jones, Executive Director of the Yampa Valley Sustainability Council. Ms. Jones invited the board to attend the Northwest Colorado Regional Energy Roundtable on March 6. Mr. Brosious stated that he had received the information and distributed it to the board members.

In the Paradigm Services report, Mr. Covillo stated that as of March 1, Gunnison County Electric Assn. CEO Mike McBride will take over as Manager of Paradigm Services. Mr. Covillo stated that there has been some recent interest in the property. He also stated that he has recorded his hours associated with Paradigm and this amount will be noted in Paradigm's operating report.

Under the BTA Associates report, Mr. Covillo reported that the FCC still has not renewed the BTA licenses and hundreds of other licenses are waiting for approval. The agreement with XO Communications is still not finalized.

Before presenting the CREA and Western United Reports, Director McGill requested clarification of a potential conflict of interest as to his serving as a board member of these two organizations as well as a YVEA board member. It was clearly explained that there was no conflict of interest representing all three organizations. He had no personal financial interest in any of the three organizations and has a defined "duty" to each of the three organizations.

Mr. McGill reported that there had been two CREA meetings since January. CREA will be monitoring legislation introduced and will act accordingly as it progresses. Mr. McGill shared a post card that CREA is sending to Denver-area legislators that highlights a different electric co-op outside of the Denver metro area each month.

Mr. McGill reported that Western United is continuing to report strong financial activity. He also noted that the New Mexico members were doing well after recently joining the group. Western United's board is considering having their board meeting in New Mexico at least once every three years.

Mr. Covillo and Mr. Miller reviewed the financial and statistical reports for the month of January. Residential and large power revenue was up while commercial revenue was down. A new record demand at 132,731 kW was set resulting in a record \$4.8 million power bill. Other financial data as well as charts and graphs were presented. A motion was duly made and seconded to accept the report as submitted.

There was no "unfinished business" to come before the board.

There was no "new business" to come before the board.

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 documents and testimony given in confidence, and for the general topic of personnel matters and contract discussions. Such executive session convened at approximately 3:00 p.m. The Board ended the executive session at approximately 4:30 p.m. and returned to its public meeting session.

Upon reconvening the following motions were made, seconded and passed unanimously:

**RESOLVED**, Mr. Dan Brewer will begin employment on February 25, 2013 and become Interim General Manager on March 5, 2013. Mr. Brewer is authorized at that time to make decisions and carry out the duties of the General Manager as outlined in the Board Policies with the exception that any contract over \$100,000 shall be required to have a second signature of a corporate officer.

**RESOLVED**, The contract proposal of YVEA with Clean Energy Collective shall be amended per the discussion in executive session but further negotiation and process on a proposed contract shall be put on hold pending the outcome of House Bill 1216 in the Colorado Legislature.

There being no further business, the meeting was recessed until such time as may be necessary to reconvene.

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Secretary

APPROVED:

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Chairman of the Board