

**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 Sheraton Hotel Board Room, Steamboat Springs, Colorado at 9:15 a.m. on March 14, 2013 for the regular meeting.

Chairman Dean Brosious reconvened the meeting of February 15, 2013, declared all business was concluded and upon a motion being duly made and seconded, the February 15<sup>th</sup> meeting was adjourned. The Chairman then called the March 14<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, Frank Roitsch and Glynda Sheehan. Larry Ellgen and Tom Fox were not present.

Interim General Manager Dan Brewer, Bill Caynor, Todd Chapman, Marty Hinson, Lisa Myers, and Robert Miller were in attendance. Visiting were John Keller of Peabody Energy, Kathy Buhl of CFC and member Jeff Troeger.

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.

Chairman Brosious turned the meeting over to Kathy Buhl, CFC Regional Vice President, for a detailed presentation concerning equity management and rate strategies. After much discussion, no formal board action taken.

Chairman Brosious welcomed John Keller, Director of Continuous Improvement, for Peabody Energy. John presented a PowerPoint presentation for the Board's understanding of Twenty-Mile coal's energy consumption and rates. Mr. Brosious requested the presentation be downloaded to Call To Order for the Board to access for further discussion.

The meeting was then opened up for general discussion concerning a variety of issues. One issue was a cost of service study. Upon a motion duly made and seconded, the following resolution was proposed:

**RESOLVED**, that Dan Brewer would begin the process of selecting an appropriate firm to conduct a cost of service study for YVEA. Director McGill asked Dan Brewer if he knew of any such firms. Dan suggested C.H. Guernsey & Co. from Oklahoma. With no further questions, the motion was approved by a unanimous vote.

The Board meeting resumed after a lunch break with Co-op Attorney Tom Sharp reviewing several state statutes concerning prohibited acts in regards to rates, charges, service or facilities.

Chairman Brosious asked Mr. Miller to review the financial and statistical reports for the month of March. After much discussion, a request was made to just highlight any major discrepancies between the monthly budget and the year-to-date budget. A motion was duly made and seconded to accept the report as submitted. Motion approved with a unanimous vote.

Director Scott McGill presented the Western United report as information only.

A request was made that the auditor be in attendance at the April Board meeting for a presentation and questions.

Chairman Brosious asked Mr. Caynor to give the Safety Report for the month of February. Mr. Caynor reported no lost time accidents for February and the correction to the January report has been made. A motion was duly made, seconded and unanimously approved to accept the report as submitted.

Dan Brewer requested each staff member to give the board a quick department update. Robert Miller explained that his department was transferring signature cards to an automated system. He also requested action be taken to replace Larry Covillo with Dan Brewer as an authorized signer for co-op accounts. A motion was duly made, seconded and unanimously approved to make the change to Board Policy No. 3-1.

Marty Hinson updated the board as to a recent outage. He was asked about the Strawberry Park activities. It was reported that Comcast cable is still working to move their equipment. Dan reported that he met with City Manager Deb Hinsvark and she did not mention any concerns.

Lisa Myers informed the board that she is working with Mountain States Employers Council on an in-house employee evaluation. It was asked of her if the employee will have input during the process. The answer was yes. She said the staff and supervisors will be receiving training and then the evaluations will begin.

Bill Caynor said the Operations department was preparing for several jobs in the spring. He was in the process of filling a lineman position in the Craig office, and working with the board as to notifying them concerning planned outages. He was asked if he felt the system was in good shape as to routine maintenance. Bill replied that he is feeling better about the maintenance schedule and is addressing issues as they come up.

Todd Chapman updated the board that a new contract was recently signed with Utility Sales and Service to read the co-op's meters. He also stated that the interview process was about to start to fill the vacant Member Services Advisor position.

Dan Brewer updated the board as to the Xcel transmission case. It was requested that he continue to communicate with Xcel to avoid any further litigation. It was also suggested that a litigation committee be appointed by the board to review these types of cases before committing to litigation.

After much discussion concerning director's expenses, it was suggested that this be given to the Audit Committee to draft and present a policy for the board's review.

A motion was duly made, seconded and unanimously approved to recess the board meeting until 9:00 a.m. Friday morning, March 15.

Chairman Brosious reconvened the March Board meeting at approximately 9:00 a.m., Friday, March 15. All Directors except Tom Fox were in attendance.

The board discussed options for setting a date for monthly meetings and the need for a planning retreat in April.

An update was given concerning the purchased 70 acres west of Steamboat Springs for the new headquarters facility. Dan reported that the City of Steamboat was not pushing the co-op for a timetable concerning the present facility. A motion was duly made and seconded to authorize Dan Brewer to contact an appropriate architectural/engineering firm to begin the process of a site plan for the 70 acre site. A question was raised as to whether it would be better to wait until the new General Manager was named. It was suggested to go ahead with a conceptual design to get the zoning approval started with the City of Steamboat Springs. It was reported that money is appropriated in the 2013 budget for this process. With no further discussion, the motion passed unanimously.

Other discussions addressed general issues for the board to consider as they determine short and long-term plans for the co-op. A request was made to have the Policy Committee meet at 10 a.m. prior to the April 19<sup>th</sup> board meeting.

A motion was made, 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, Dan Brewer, and Lisa Myers were in attendance during such executive session. Such executive session convened at approximately 11:00 a.m.

At 3:00 p.m. the board ended the executive session and returned to its public meeting session. A motion was made, duly seconded and passed that the Chairman be authorized to direct Carl Mycoff of Mycoff, Fry and Prouse to contact the candidates for General Manager selected to be interviewed and invite them to an interview with the full board during the week of April 8. The motion was approved.

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