

**Yampa Valley Electric Association, Inc.**  
**Regular Meeting of the Board of Directors**  
Thursday, January 16th – 11 AM  
32 Tenth Street

The Board of Directors of Yampa Valley Electric Association, Inc., reconvened at 32 Tenth Street, Steamboat Springs, Colorado at 11:00 a.m. on January 16, 2014. Chairman Dean Brosious reconvened the recessed meeting of December 20, 2013.

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

After the Chairman declared the December 20 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 January 16, 2014, 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, Larry Ellgen, Scott McGill; General Manager, Diane Johnson; Managers, Robert Miller, and Lisa Myers; Also present, Tom, Sharp, general counsel, Randi Owens, Jeff Troeger, Sonja Macys, and Tom Kern
- b. Absent:** Glynda Sheehan, Director; Melissa Watson, Manager of Member Services; Steve Johnson, Manager of Operations

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

**3. Approval of Minutes**

A motion approving the minutes from the December 20, 2013 meeting with corrections was made and passed with a unanimous vote.

**4. Public Comment**

- a.** Jeff Troeger commented that he was pleased with the CEC Launch Party. He also requested that Sonja Macys be the moved to the next agenda item.

**5. Energy Efficiency Partnership Opportunity (Sonja Macys)**

- a.** Ms. Macys presented on a project to support community-wide energy efficiency projects and its goals. Ms. Macys is proposing YVEA serve as a support for the committee as well as partnering with some of the proposed projects. Mr. McGill questioned how this committee’s purposes and goals were different from iCast. Ms. Macys responded that iCast is more out-sourced, while this partnership is seeking local drive and distribution for community members. Mr. Sharp commented that the assignment of capital credits would necessitate a change in the bylaws, which can be a complex matter. Mr. Garrity vocalized his support of this endeavor. There was some discussion as to the amount of financial and employee resources to put toward this project. The consensus of the board was to support the project philosophically, but it is up to the General Manager to determine the type and amount of resources to contribute to this project.

**6. Director’s Comments**

Mr. Garrity commented on the 47 people laid-off at Peabody and requested Ms. Myers make a call to their HR department to determine if any of those individuals possess the skills needed to fill any openings at YVEA.

Mr. Brosious shared that a member has been waiting several weeks for a follow-up from an energy audit and would like immediate action be taken to address this situation.

## **ACTION ITEMS**

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

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

### **8. Selection of 2014 Annual Meeting Date and Location**

Ms. Owens presented several options for the Annual Meeting on behalf of Ms. Watson. Member Services recommended keeping the Annual Meeting in the month of June, but changing the week day or location. After some discussion, the board consensus was to hold the Annual Meeting in Hayden on a Thursday night in June. They voiced their desire for the Annual Meeting to be first and foremost a business meeting.

### **9. Allocation of Funds of Deceased Members**

Ms. Johnson requested a recommendation from the Board with respect to the allocation of funds to retirement of capital credits of deceased members under YVEA Bylaws. Historically, the Board has approved a dollar amount in each year's budget, and if during the year any estates processed claims for retirements that would exceed the budgeted amount, such claims were held up and first brought to the Board for approval. Mr. Brosious noted that this situation rarely happened. Mr. Ellgen questioned the amount of exposure for allocating funds as it became necessary. It was determined the amount of exposure was relatively low. A motion was made by Brosious, seconded by Fox, and carried to not set a limit for an annual amount for retirement of capital credits of deceased members from now on, but instead to pay-out claims of retirement of capital credits to the estates as they come in, without an annual cap. Mr. McGill asked if this item appeared in the budget and Mr. Miller responded it does not.

## **INFORMATION ITEMS**

### **10. Staff Reports**

#### **a. Safety**

Ms. Johnson noted that staff has designated a special report dedicated to safety that covers the entire organization.

#### **b. Operations**

Ms. Johnson noted that Mr. Johnson was absent for today's meeting, but any questions the board might have can be directed to her. There were no questions or comments.

#### **c. Engineering**

Mr. Hinson shared that they have put in a bid for a transformer for the Maybell substation, as acquiring a transformer can take several months. Mr. Hinson also noted that at the end of December the Association had sold 10,000 recs.

#### **d. Human Resources**

Ms. Myers shared that there were two offers out for Steamboat linemen. She believed they would start work in February.

#### **e. Member Services**

Ms. Johnson noted that Ms. Watson was also absent for the meeting. Ms. Johnson shared that Smart Hubb, a smart phone application, would be available February 1<sup>st</sup> to all members. The application allows members to view their energy use, their bill, account information as well as being

notified about outages. For those using E-Bill, the switch will take place automatically come February 1<sup>st</sup>.

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

#### **11. Net Metering and Interconnect Tariff**

Mr. Hinson reviewed the historic practice of YVEA and other coops when it came to net metered members. Mr. Hinson also presented a proposal to allow net metered members to have the same advantages as those members participating in the Solar Garden. There was some discussion as to whether the board should support extending the same rate to net metered members as it does to those involved with the solar garden. Mr. Ellgen commented that the Association is obligated to treat both groups of members in the same manner since there is not an arguable distinction between them. There was further discussion regarding the difference between recs gained from hydro projects versus the solar garden project. It was a consensus that there are substantial differences in initial set-up and organization, reliability, and predictability of electrical output with respect to small hydro project, and thus there is a reasonable basis to treat purchase power rates from small hydro projects differently from a Solar Garden or individual solar net metering customers. A motion was made by Fox, seconded by McGill, and approved, for staff to prepare the necessary documents to post the change to the tariff for net metered members to bring the purchase power price into equivalency with the Solar Garden purchase power price, and bring such documents back for board approval.

#### **12. Approval of 2013 Inventory of Materials**

Mr. Miller reported the inventory for 2013. A motion to approve the report was made by Ellgen, and seconded by Fox, and carried with a unanimous vote.

#### **13. Retreat Topics**

Ms. Johnson recommended the board consider moving the March Retreat to the summer to allow staff time to prepare recommendations related to the building, benefits and compensation, and IT. There was some discussion with respect to the timing of the retreat. The Board requested Ms. Johnson propose a date in May for the Board Retreat at the next meeting. The Board also elected to hold a regular board meeting in March.

#### **14. Building Committee Report**

Mr. Fox shared that the committee was currently investigating how the Core Trail got built through a parcel of land owned by YVEA south of Yampa Street across from the YVEA office building. Mr. Fox shared that some committee members would be attending a meeting regarding annexation of the Aviator property on Friday. The committee was also in the process of examining the Craig facility and prioritizing the work that needs to be done at that location.

#### **15. CREA Report**

Mr. McGill noted that there was no CREA meeting and he had nothing new to report.

#### **16. Western United Report**

Mr. McGill noted that there was no Western United meeting and he had nothing new to report.

### **OTHER ITEMS**

#### **17. Unfinished Business**

Mr. Fox requested an update regarding the Catamount hydro project. Ms. Johnson shared that the Association has taken a deposit for the transmission line and has been working to determine the feasibility of engaging in negotiations for a wholesale power purchase agreement.

#### **18. New Business**

Mr. Tom Kern presented information to the Board regarding North West Colorado Broadband, Inc. Mr. Kern expressed that as CEO of the chamber, the most consistent complaint from members was the lack of capability, pricing, and reliability with Century Link. Ms. Johnson explained the group was formed to address the struggle by many

businesses to get high speed broadband that is reliable and cost effective. Mr. McGill questioned the initial cost to the Association. Ms. Johnson responded that the Association needs to commit to buying a certain amount, but that YVEA would essentially be a member-owner in this venture. The Board requested Ms. Johnson compose an LOI for the amount the Association would purchase.

There was some concern about YVEA's compliance with Senate Bill 252 and a request was made to develop a strategic plan to address the regulations of the Bill. Ms. Johnson responded that staff would follow-up with this request at the next board meeting.

**19. Recess**

A motion to recess the regular meeting of the directors of Yampa Valley Electric Association was made by Brinks, seconded by Fox, and 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