

**Yampa Valley Electric Association, Inc.**

Conclusion of Recessed Regular Meeting of the Board of Directors from Prior Month  
and Regular Meeting of Board of Directors  
Thursday, June 19, 2014  
32 Tenth Street  
Steamboat Springs, Colorado

The Board of Directors of Yampa Valley Electric Association, Inc., reconvened at 32 Tenth Street, Steamboat Springs, Colorado, at 1:00 p.m. on June 19, 2014. Chairman Dean Brosious reconvened the recessed meeting of May 15, 2014 (the "Recessed Meeting"). Upon calling roll, it was reported that the following directors were present: Dean Brosious, Mike Brinks, Larry Ellgen, Tom Fox, Frank Roitsch, Russell Garrity, Pat McClelland, Glynda Sheehan, and Scott McGill. After the Chairman declared that the Recessed Meeting was re-opened, there was no further business. 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 Board of Directors then immediately convened at 32 Tenth Street, Steamboat Springs, Colorado, at 1:05 p.m. for its regular board meeting.

**1. Call to Order**

Upon calling roll, it was reported that the following directors were present: Dean Brosious, Mike Brinks, Larry Ellgen, Tom Fox, Frank Roitsch, Russell Garrity, Pat McClelland, Glynda Sheehan, and Scott McGill. Also present were General Manager, Diane Johnson; COO, Steve Johnson; Managers, Lisa Myers, and Melissa Watson; Board Secretary, Randi Owens; and Members, Jeff Troeger, Matt Piva, and John Spezia.

**2. Approval of Minutes**

A motion approving the amended minutes from the May Recessed Meeting (other than the reconvened portion of such meeting this day) and the April meeting was made by Mr. Brinks, duly seconded by Mr. McGill, and passed unanimously.

**3. Member-Owner Comment**

Mr. Spezia requested a copy of the Cost of Service study. Ms. Johnson informed Mr. Spezia that redacted copies of the study are available at the front desk. Members need only to add their name to the list of study requests in order to obtain a copy.

Mr. Troeger informed the board that he has presented his proposal to install an electric vehicle charging station in Steamboat Springs to the City of Steamboat Springs. Mr. Troeger informed the board that the grant application is due by August and that he requests the board consider supporting this project. Ms. Johnson shared that this topic was discussed at the Municipal Utility Advisory Committee and believes the Association would be able to support this project primarily in the preparation and installation phase.

**4. Director Comments**

Mr. Garrity complimented Mr. Johnson and his department involved in the tree trimming project. He expressed that a member had been quite impressed with the work they were doing and the respectful way they approached the member about the project. Mr. Garrity complimented Mr. Brosious and Ms. Johnson for not meeting in executive session today as it was not necessary, and he believes it helps promote a level of transparency that our members appreciate.

Mr. Roitsch complimented Ms. Johnson on the positive changes made to the Annual Meeting time. He shared that several members from Hayden were pleased at the change of meeting day and time from Saturday morning to Thursday evening.

## **ACTION ITEMS**

### **5. Resolution 14-07: Approve Certificate of Resolutions and Incumbency for Loan CO036-A-0924 & CO036-A-0925**

Ms. Johnson explained that this resolution addresses the two loans from CFC that have been previously discussed and approved by the board. However, the approval the board supplied was not in the format CFC requires to authorize the loans. Ms. Johnson noted that there have been no changes to amounts, timeline, or provisions. Mr. McGill requested that Mr. Sharp review the document. Mr. Fox clarified that if there were no significant amendments that needed to be made upon review by Mr. Sharp that the resolution did not need to be brought back for board approval. Mr. McGill made a motion to accept Resolution 14-07 subject to review by general counsel; the motion was seconded by Mr. McClelland, and passed with a unanimous vote.

### **6. Resolution 14-08: Pension Restoration Plan**

Ms. Myers stated that she had been contacted by NRECA regarding the Pension Restoration Plan. She explained that there were no current or eligible participants in the program and NRECA recommended terminating the plan. After some clarifying questions, Mr. Ellgen made a motion to accept Resolution 14-08; the motion was seconded by Mr. Roitsch, and passed with a unanimous vote.

### **7. Capital Credit Retirement Exception Request from a Member**

Ms. Johnson explained that when individuals sign-up for service they can do so as a person or as a business entity. If a member signs up for service in the name of a business, we do allow them to transfer membership to an individual account if they are the sole proprietor of that business. We work with members in this way because we recognize that if the business closes, then members may be unable to cash capital credit checks issued in the name of that business.

However, there is a difference in the way that capital credits can be retired to members. We allow discounted, early retirement of capital credits upon death if the membership is listed as an individual, not as a business entity.

Ms. Shari Abney was contacted by an executor of an estate concerning the account of a deceased member. The executor of the estate was assured by the deceased, prior to death, that his capital credit retirement would cover all funeral expenses. However, due to the nature of the account (business) the capital credits cannot be paid out in a lump sum fashion. Rather, the credits continue to be retired year-by-year unless the board approves an exception that would allow this account to be paid in the lump sum fashion. Ms. Johnson noted that Mr. Sharp agrees that it is within the power of the board to grant or deny the request. Mr. Brosious noted that if the capital credits were not retired early, it would take a long time for the estate to be closed. Mr. Ellgen asserted that making an exception does not mean that the board is agreeing to a change of policy or bylaws.

Mr. McClelland made a motion to honor the request to retire the capital credits in a lump sum fashion; the motion was seconded by Mr. Brinks, and passed with a unanimous vote.

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

Ms. Johnson presented the financials for May noting that due to personnel changes the report is brief and has been modified. Mr. Brinks found two minor discrepancies. Ms. Johnson explained that the discrepancies are most likely timing issues between wholesale and retail billing along with corrections that need to be made on manual reports versus system accounting reports. She directed staff to look into the discrepancies and provide an explanation with corrected financial statements for the next board meeting. Mr. McGill made a motion to table the acceptance of the financial and statistical report for May until the report had been reconciled and corrected; the motion was seconded by Ms. Sheehan, and passed with a unanimous vote.

## INFORMATION ITEMS

### 9. Staff Reports

#### i. Safety

Mr. Johnson stated that there have been no reportable incidents for three months and only a few near-misses. Ms. Johnson shared that while staff had been budgeting for equipment to meet OSHA guidelines; recent events at another coop have accelerated the plan to purchase this equipment to meet requirements. Mr. McGill congratulated Mr. Johnson and his employees with respect to a clean safety record. Mr. Johnson expressed his belief that incorporating employees from all departments has helped create a stronger culture and awareness of safety.

#### ii. Technology

Mr. Johnson shared that Power Systems Engineering has submitted a final report and IT is reviewing the submission. Ms. Johnson noted that the next portion of this project the board will see will be the staff recommendations that detail priority, cost, and timing.

#### iii. Operations.

Mr. Johnson provided a presentation that detailed two projects that had been recently completed by operations concerning system maintenance and restoration. Ms. Johnson shared that Member Services and Operations have been working closely to help alert and inform members of major projects that will improve our system and reliability.

Mr. Fox asked if we have a policy that limits the planting of mature trees by members that interfere with right-of-way. His concern was upsetting members if it became necessary to spray or trim those trees. Mr. Johnson said that there is not currently a policy. Ms. Johnson noted that employees do their best to educate members; however, it might become necessary to create a formal policy that addresses this issue.

#### iv. Engineering

Mr. Johnson shared that the Association has contractors currently working on overhead and underground projects. Ms. Johnson shared that we have been informing members of these projects by utilizing Facebook and automated phone calls to inform those members affected by the construction.

Mr. Johnson shared that there was a problem with the Maybell substation, but it has been addressed. Ms. Sheehan asked why outages seem to be happening so frequently with Baggs and Maybell. Ms. Johnson explained that there is currently no redundancy built into those systems. Due to cost, the Association chose not to install fuses in areas that would help reduce outages. The lack of fuses, coupled with extreme weather and an aging system, accounts for the frequent outages and blinks that members in the Baggs and Maybell areas are experiencing. Mr. Johnson commented that while the outages are not surprising, responding to them has proven to be difficult. Mr. Johnson shared that they have implemented a mobile substation to help address the redundancy issue, but it may become necessary to make adding permanent redundancy into these systems a capital project.

#### v. Member Services

Ms. Watson explained that the rates communication piece will be published in the July newsletter and that all legal postings have been made. Mr. Garrity inquired about members' response to the increase in rates. Ms. Watson answered that there has been little feedback from members thus far.

Ms. Watson shared that the Safety Backpack Contest was successful. They traveled to six schools and ten classrooms to help promote electric safety to second graders.

Ms. Sheehan noted that she really enjoys the updates Ms. Tammi Mackenzie sends concerning community and employee events.

**vi. Human Resources**

Ms. Myers shared that they had received 78 applications for the administrative assistant position that will support Operations, Engineering, and IT. She also shared that they had hired two summer interns that Mr. Magee recruited from Mesa Hotline School.

Mr. McClelland made a motion to accept staff reports; the motion was seconded by Mr. Fox, and passed with a unanimous vote.

**10. Q&A with Jeff Troeger**

Mr. Troeger presented information regarding the ever-evolving power industry. He challenged the board to consider what added value the coop provides to members. He recommended that the board focus on providing options to their members.

Ms. Johnson asked Mr. Troeger what he thought the first steps would be to adapt to this changing industry. Mr. Troeger responded that he believed the first step was improving technology, which he sees the board actively addressing. His second step would be to provide members with options about what type of power they desire to use.

**11. CREA Report**

Mr. McGill shared that the CREA audit had been approved. Mr. McGill updated the board about five legislative bills that passed pertaining to broadband.

**12. Western United Report**

Mr. McGill shared that Western United did not meet.

**13. BTA Report**

Mr. McGill shared that they were waiting for an agreement to be finalized.

**14. Paradigm Report**

Mr. McClelland shared that Mr. Mike McBride had informed him that they had closed on three lots and expected to close on the remaining 16 lots by mid-July.

**15. CEC Solar Garden**

Ms. Johnson reported that CEC has informed her that they were considering two locations: one outside of Milner and one near the regional airport. CEC still wants to break ground on the project before winter, and they continue to be optimistic that they can do so.

**OTHER ITEMS**

**16. Unfinished Business**

There was no unfinished business.

**17. New Business**

Mr. Brosious reminded the directors to complete and return the forms he emailed to them by the end of the month.

Ms. Johnson reminded everyone that the annual meeting would be next Thursday, June 26<sup>th</sup> at the Hayden High School at 6 p.m.

**18. Recess**

A motion to recess this regular meeting of the directors of Yampa Valley Electric Association, Inc., until 11:00 am on Thursday, July 17, 2014 was made by Mr. McClelland, seconded by Mr. Fox, and passed unanimously. The Chairman then declared this regular meeting recessed at 3:59 p.m.

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Chairman of the Board

Dated: July 17, 2014

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Secretary of the Board

Dated: July 17, 2014