

**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, July 17, 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 11:00 a.m. on July 17, 2014. Chairman Dean Brosious reconvened the recessed meeting of June 19, 2014 (the “Recessed Meeting”). Upon calling roll, it was reported that the following directors were present: Dean Brosious, Mike Brinks, Larry Ellgen, 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 11:00 a.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, 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; YVEA employee, Ed Pierce; and Members, Jeff Troeger and John Spezia.

**2. Executive Session**

After the Chairman declared the meeting open, a motion was made, 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, contract negotiations and pending or threatened litigation. Board members, General Manager, and Board Secretary were in attendance during such executive session. Such executive session convened at approximately 11:06 a.m., and the board ended the executive session and returned to its public meeting session at approximately 1:00 p.m.

**3. Approval of Minutes**

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

**4. Member-Owner Comment**

Mr. Spezia requested a copy of the executive summary from the cost-of-service study. Ms. Johnson directed staff to review the report and determine what information could be released.

**5. Director Comments**

Mr. Roitsch thanked Ms. Johnson on behalf of the people of Hayden for all the improvements YVEA has helped accomplished. He specifically cited the help that the Linemen provided in installing a new football field goal post.

Mr. Garrity shared that his experience at the CoBank Director’s Conference was quite good and will share key points from the meeting later.

Mr. Ellgen noted that he was pleased to see a YVEA truck in the Craig 4<sup>th</sup> of July parade.

Mr. McGill commented that he thought the Annual Meeting went well and expressed his belief that holding the meeting on Thursday seems to be an improvement from Saturday morning.

## **ACTION ITEMS**

### **6. Election of Officers**

Mr. Brosious opened up the floor for nomination of officers. Mr. Brinks made a motion to retain the current slate of officers with the exception of removing Mr. Miller from the position of treasurer and keeping that position vacant for now. Mr. McClelland seconded this motion and it passed with a unanimous vote.

### **7. Resolution 14-09: Purchase of Property**

A motion to purchase the TIC property was made by Mr. McGill, seconded by Mr. Roitsch, and passed with a unanimous vote.

### **8. Resolution 14-10: Rate Changes**

Ms. Johnson explained that the Board had approved the revised tariff sheets to be noticed for 30 days and it is now appropriate for the Board to make a resolution that puts the rate changes into effect. Ms. Johnson detailed the proposed adjustments to rates for irrigation, residential, and net-metered members. These rate changes are based on the need for infrastructure improvement, to maintain and increase reliability of service to our members, and the results of the cost-of-service study.

Mr. McGill inquired about changing the customer charge from being billed in a prorated fashion to a flat daily or monthly charge. Ms. Johnson agreed that staff would also like to move away from proration, but to do so would mean that the tariff sheets would need to be re-posted. Mr. McGill also inquired about the minimum contract option for irrigation members. Ms. Johnson directed staff to get information about the minimum contract option for this class. Mr. McClelland made a motion that the proposed rate increases be effective for all bills rendered after August 1<sup>st</sup>; the motion was seconded by Ms. Sheehan, and passed with a unanimous vote.

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

Ms. Johnson explained that staff was still working on preparing the June financials for board review and approval. The financials for May were presented for approval. Ms. Sheehan requested clarification regarding a few areas that were under budget. Ms. Johnson directed staff to provide Ms. Sheehan appropriate detail to resolve her question. Mr. McClelland made a motion to approve the financial and statistical report for May; the motion was seconded by Mr. Brinks, and passed with a unanimous vote.

## **INFORMATION ITEMS**

### **10. Staff Reports**

#### **i. Safety**

Mr. Johnson shared that CREA came to complete an onsite observation as part of Rural Electric Safety Achievement Program (RESAP). Mr. Johnson noted that there were a few things that need to be addressed, but overall there were no surprises. Mr. Johnson also shared that they were currently working with OSHA to review the arc-flash analysis process and PPE (personal, protective equipment). YVEA has good processes in place, however, OSHA has found that every coop conducts this analysis differently and desires there to be some uniformity across the board. With respect to PPE and fall-restraints, appropriate equipment has been ordered and the hope is to be fully compliant by the end of this year. There were no accidents or injuries to report. The board noted their satisfaction with the positive changes in the safety culture.

#### **ii. Technology**

Mr. Johnson shared that IT is continuing to work on the Technology Plan with PSE, including finalizing all data and recommendations within technology

interfaces. IT is continuing to work on taking inventory of the infrastructure at the new YVEA Headquarters and assessing what improvements need to be made to make it viable for everyday operations.

**iii. Operations.**

Mr. Johnson shared that Operations is almost finished developing a five-year construction work plan that includes updating infrastructure, facility improvements, and equipment purchasing. Construction projects for this year are going well. Mr. Brinks shared that a member expressed concern for animals that might get into substations and asked how YVEA prevents these situations. Mr. Johnson shared that the Association's substations are fenced. However, because animals can dig under or crawl over fences, the Association is now utilizing animal guarding materials to prevent animals gaining access to substations.

**iv. Engineering**

Mr. Johnson noted that the temporary construction in Maybell has been completed and that the new transformer is due to arrive in two weeks. Mr. Johnson noted that the outages experienced during that time were not due to the construction, but to high winds and lightening. Mr. Johnson also announced that Mr. Montes will be retiring at the end of August.

**v. Member Services**

Ms. Watson shared aspects from the upcoming issue of Colorado Country Life. She also shared that the Association contributed to the Youth Leadership Camp and sent employees to volunteer for the week.

Ms. Watson shared that Caring Consumers met and is hoping to finish revising the bylaws in September. She noted that Caring Consumers received requests for \$49,000 in grants and was able to award \$16,000 to twelve local organizations. Mr. Garrity noted that he liked the format of the minutes provided.

**vi. Human Resources**

Ms. Myers updated the board on the progress made for the administrative assistant position for the COO. She noted that an offer was made to a current Steamboat resident. Ms. Myers also shared that an offer was made recently for the mechanic position in Craig. The systems engineer position has been posted with NRECA and APPA.

**11. Compensation and Benefits Committee Report**

Mr. Garrity shared that the committee is making good progress and hopes to make a final recommendation to the board soon. Mr. Garrity noted that the overall goal of the committee is to make a smarter benefits package for employees and this is being achieved by rebalancing the current benefit package. Ms. Johnson shared that the committee will present their recommendations in August. It will be presented initially in executive session due to the nature of the topic. Then, it will be formally presented in September for approval. All changes will be effective January 1<sup>st</sup> if NRECA will allow wage changes to be made effective in January versus November.

**12. CREA Report**

Mr. McGill noted that Pedal the Plains is funded through contributions from Tri-State and Touchstone Energy. Mr. McGill shared that there has been a push for coops to contribute to CARE. Mr. McGill also noted that a special meeting was called to discuss the EPA Clean Power Plan.

**13. Western United Report**

Mr. McGill shared that things are going well and there is nothing new to report.

**14. BTA Report**

Mr. Brosious shared that negotiations to sell licenses continue.

**15. Paradigm Report**

Mr. McClelland stated that there was nothing new to report.

**16. CEC Solar Garden**

Mr. Brosious shared that CEC did obtain a property in Craig for the Solar Garden. They hope to break ground in September and conclude construction by the end of the year.

**OTHER ITEMS**

**17. Unfinished Business**

Mr. Brosious noted that the directors received surveys from NRECA and CREA concerning board compensation. He explained that there has been some question as to whether extra compensation for the chair should continue. Mr. Brosious stated that this issue has been handed over to the policy committee to develop a recommendation.

There was some discussion about developing a policy to address tree trimming and right-of-way concerns. Ms. Johnson assured the board that staff is proactively working to communicate with members as well as working with the BLM to address this issue. If more action is needed, then a policy might need to be developed. The board decided not to formalize a policy about this issue at this time.

**18. New Business**

Mr. Garrity shared about his experience at the CoBank Directors Conference. He noted that the conference was very balanced and informative. He expressed that it was worth going back next year as he felt that the speakers addressed issues relevant to the Association. He noted a few key points from the conference and encouraged other directors to attend next year.

**19. Recess**

A motion to recess this regular meeting of the directors of Yampa Valley Electric Association, Inc., until 11:00 am on Thursday, August 21, 2014 was made by Mr. Brinks, seconded by Mr. Ellgen, and passed unanimously. The Chairman then declared this regular meeting recessed at 2:55 p.m.

---

Chairman of the Board

Dated: August 21, 2014

---

Secretary of the Board

Dated: August 21, 2014