

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
Wednesday, September 17th, 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 September 17, 2014. Chairman Dean Brosious reconvened the recessed meeting of August 21st 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, Tom Fox, Tom Sharp 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, Tom Fox, and Scott McGill. Also present were General Manager, Diane Johnson; COO, Steve Johnson; Interim CFO, Frank Skube; HR Manager, Lisa Myers; Supervisors, Kathy Bertrand and Ed Pierce; Marketing Coordinator, Tammi McKenzie; Board Secretary, Randi Owens; and YVEA employee, Rex Stafford.

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 presented from the August 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

There were no member-owners in attendance.

5. Director Comments

Mr. Fox expressed that he had received positive feedback on the purchase of the new YVEA headquarters.

Mr. McClelland, Mr. Brinks, and Ms. Sheehan all noted that they quite enjoyed the open house and thought the event was well done.

Mr. McGill noted that he and Mr. Roitsch had attend the CFC Financial Workshop and thought it was quite good.

ACTION ITEMS

6. Acceptance of the Financial and Statistical Report

Mr. Skube gave a comprehensive overview of the financial state of the organization. Mr. Skube detailed various trends that the association will see on the financials for August. After some clarifying questions, a motion approving the financial and statistical report for August was made by Mr. Fox, duly seconded by Ms. Sheehan, and passed unanimously.

7. Resolution 14-11: Compensation and Benefits Proposal

Ms. Johnson noted that this is the time for the directors approve the recommendation presented in executive session in order for staff to move forward with the implementation of the revised compensation and benefits package for Association employees. A motion approving the resolution was made by Mr. Roitsch, duly seconded by Mr. Ellgen, and passed unanimously.

8. Resolution 14-12: Budget Amendment (Building Acquisition)

Ms. Johnson explained that by the end of the year, the Association will have spent more than the budget that was approved for 2014 due to the purchase of the new headquarters. While Ms. Johnson was given approval to purchase the building, the budget does not reflect this decision. A motion approving the budget amendment of \$10.5 million to account for the purchase of the new building was made by Ms. Sheehan, duly seconded by Mr. McClelland, and passed unanimously.

9. Resolution 14-13: Approval of the Revisions to Area 7 Board Policies

Ms. Johnson described the policy review process to the board. Management reviews policies and submits revisions to the policy committee. The policy committee then reviews the submitted policies, revises as they see fit and presents those revisions to the board for approval. Mr. McGill noted that staff will continue to recommend policies to be reviewed by the committee. Further, Mr. McGill clarified that the goal is to separate policy from procedure, as the board's focus should be setting appropriate policies for the Association. Mr. McGill stated that he anticipates that the policy committee will most likely need to meet three to four times a year. A motion approving the resolution was made by Mr. Garrity, duly seconded by Mr. McClelland, and passed unanimously.

INFORMATION ITEMS

10. Staff Reports

i. Safety

Mr. Johnson highlighted that there were no safety incidents or near-misses during the month of August. Mr. Johnson shared that the extra materials for his department were the summary of the Federated Insurance report for the directors to review. He noted that all the issues have already been addressed and corrected. Ms. Johnson shared that she is exceptionally pleased and thinks this report reflects a commitment to organization and safety.

ii. Technology

Mr. Johnson presented the proposed technology plan to the directors. There was some clarifying discussion as to timing and personnel needs associated with the planned projects. A motion conceptually approving the proposed technology plan was made by Mr. McGill, duly seconded by Mr. Roitsch, and passed unanimously.

iii. Operations.

Mr. Johnson presented the plan to account for the delay between fleet orders and delivery. He directed the board to the 2015 fleet budget with the request to begin those purchases in 2014. A motion pre-approving the 2015 fleet budget was made by Mr. Fox, duly seconded by Mr. McClelland, and passed unanimously.

iv. Engineering

Mr. Johnson noted that construction was busy right now. He directed the board to the construction work plan, which was created in coordination with the three-year financial forecast. Mr. Johnson explained the rating system used to prioritize the projects. Mr. Garrity noted that he was pleased to hear there was a systematic process for prioritizing projects. A motion approving the construction work plan was made by Mr. McGill, duly seconded by Mr. Roitsch, and passed unanimously.

v. Member Services

Ms. Johnson explained that in the future the reports from customer service and communications will be reported separately. Historically, both of these functions had been combined, but that this is not a typical or successful approach. Mr. Garrity noted that he enjoyed seeing YVEA in full force at community events.

vi. Human Resources

Ms. Myers shared that the Association has hired a temporary laborer to help with the new facilities and there is an offer out for the system engineer. Ms. Myers also noted that she has been working on renewing Association benefits and preparing for open enrollment.

vii. Communications and Public Relations

Ms. McKenzie highlighted aspects of the October newsletter, including that October was national coop month. Ms. McKenzie noted that the employee open house was a successful event. Ms. Sheehan noted that there had been some conversation as to creating a scholarship fund using the unclaimed capital credit monies. Ms. Johnson directed staff prepare information for the board concerning the trends associated with unclaimed monies.

viii. Member Relations

Ms. Bertrand noted that her department was working with Ms. McKenzie to update the new member packet. Ms. Bertrand described the Remit Plus software and how it will help the efficiency of processing member payments. This project should be finalized by the end of October. Mr. Garrity asked if there was any more feedback concerning the changes in rates. Ms. Bertrand shared that they had received very little feedback about this. Ms. Bertrand noted that she was working with a large power member who has questions about the way they are billed and a meeting has been scheduled for her, Ms. Johnson, and Mr. Skube, to address these concerns in person.

ix. Facilities

Mr. Pierce noted that his department has begun the process to winterize the Association properties as well as continue to maintain the storm water management programs. Mr. Pierce noted that they had been advertising for contractors to submit pre-qualifying applications for any businesses wanting to put in a bid for projects related to our new and existing facilities. Ms. Johnson noted that this process allows the Association to save time as well as assuring our members we have a fair and routine way of contracting work. Mr. Pierce also noted that his department was continuing to work on unifying security systems at both office locations. Ms. Sheehan asked if the security cards would be assigned per level of access needed and Mr. Pierce confirmed that they were permissions based.

11. Rebranding (Creative Bearings)

Ms. Johnson stated that the new YVEA logo was unveiled at the employee open-house earlier in the month. Ms. Johnson invited the team from Creative Bearings, those who helped create the logo, to come and provide a more detailed and official explanation about the choices that were made around the new logo.

12. Potential Trail Agreement between YVEA and Routt County

Ms. Johnson introduced Ms. Janet Hruby, who requested the board of directors consider granting the county a trail easement through the Association's Steamboat 700 property to create a trail that links up with the trails in town. Mr. McGill asked for more information regarding the type of trail and maintenance that would be required. Ms. Hruby noted that the trail would not be concrete and would require very little maintenance. There was some board discussion as to how this might be helpful or troublesome to the members. The board directed staff to work on a creating a contract with Routt County with the understanding that the final contract would need to come to the board for final approval.

13. CREA Report

Mr. McGill detailed an issue that Delta-Montrose was currently facing. The coop had asked CREA to help fund the legal case. Mr. McGill asked if the board had any objections to this and the board had no objections as they conceptually support the use of funds.

14. Western United Report

Mr. McGill noted that the financials were good.

15. BTA Report

Mr. McGill shared that delinquent fees had been paid and they were still waiting for FCC approval.

16. Paradigm Report

Mr. McClelland stated that a contract has been signed for the Crested Butte property, but there are still some responsibilities that need to be addressed before the contract becomes final. Mr. McClelland noted several negotiations in process.

17. CEC Solar Garden

Ms. Johnson noted that construction is scheduled to start in October. Ms. Johnson shared that she will be attending an advisory council meeting with CEC.

DISCUSSION ITEMS

18. Budget Expectations

Ms. Johnson explained that the current financial situation makes it hard for staff to produce preliminary budgets for the October board meeting. Ms. Johnson detailed the potential timeline and asked the board to share their expectations with staff regarding the budget. Mr. Garrity noted that he felt some level of discomfort about the amount of spending that has occurred this year, but has great confidence that staff is making wise, informed decisions. Ms. Johnson shared that one change the board can expect is the amount of money that can be dedicated to capital credits. Mr. Fox emphasized the importance of an accurate budget versus the timeliness of it being presented. Mr. Garrity noted that the concern is not just numbers, but the implications of these projects on employees.

OTHER ITEMS

19. Unfinished Business

Mr. McClelland made a motion that the third amendment be approved on the sale of the 32 Tenth Street property. A motion approving the resolution was made by Mr. Brinks, duly seconded by Mr. Garrity, and passed unanimously. May it be noted that Mr. Fox, Mr. McGill, and Mr. Roitsch did not participate in the vote.

20. New Business

Ms. Johnson attended the EPA meeting in Craig and thought it pertinent to remind the board and staff about the large territory of members we represent and serve.

Mr. Brosious asked about the ability for members to opt out of paper bills. Ms. Bertrand noted that members can opt out of paper bills and can do it via the website or speaking directly with a member service representative.

Mr. Brosious also noted and requested more information about NRECA's International Lineman program. Ms. Johnson directed staff to gather information to report back about this program.

21. Recess

A motion to recess this regular meeting of the directors of Yampa Valley Electric Association, Inc., until 11:00 am on Friday, October 17th, 2014 was made by Ms. Sheehan, seconded by Mr. McClelland, and passed unanimously. The Chairman then declared this regular meeting recessed at 4:38 p.m.

Chairman of the Board

Dated: October 17, 2014

Secretary of the Board

Dated: October 17, 2014