

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, November 19, 2015

2211 Elk River Road

Steamboat Springs, Colorado

The Board of Directors of Yampa Valley Electric Association, Inc., reconvened at 2211 Elk River Road, Steamboat Springs, Colorado at 11:00 a.m. on November 19, 2015. Chairman Dean Brosious reconvened the recessed meeting of October 15, 2015. Upon calling roll, it was reported that the following Directors were present: Dean Brosious, Frank Roitsch, Russell Garrity, Pat McClelland, Glynda Sheehan, Mike Brinks, Larry Ellgen, Tom Fox, and Scott McGill. Also present were General Manager, Diane Johnson, and Board Secretary Larissa Wilson. 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.

1. Call to Order

Upon calling roll, it was reported that the following Directors were present: Dean Brosious, Frank Roitsch, Russell Garrity, Pat McClelland, Glynda Sheehan, Mike Brinks, Larry Ellgen, Tom Fox and Scott McGill. Also present were General Manager, Diane Johnson; Chief Operating Officer, Steve Johnson; Manager of Accounting Services and Warehouse and Facilities, Amy Mahon; Human Resources Manager, Randi Owens; Board Secretary Larissa Wilson; Member Relations Manager, Kathy Bertrand; Communications and Public Relations Manager, Tammi McKenzie, guests Audrey Danner, Executive Director, Craig/Moffat Economic Development Partnership; Terry Carwile, Colorado Northwestern Community College Board of Control; and Member owner Jeff Troeger.

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, Diane Johnson, General Manager, and Larissa Wilson, Board Secretary were in attendance during such executive session. Such executive session convened at approximately 11:00 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 Recessed Meeting (other than the reconvened portion of such meeting this day) was made, duly seconded, and passed unanimously.

4. Member-Owner Comment

There were no member-owner comments.

5. Director Comments

Ms. Sheehan noted the Member Services Representatives handled a sensitive customer service issue very well.

Mr. Garrity noted the RE Magazine article on broadband was interesting and would be a good topic for a future board meeting.

Mr. McGill noted former director Mr. Sam Haslem and his wife are doing well.

Mr. Brinks noted he attended the Energy Innovations Summit and enjoyed a few of the seminars.

6. Guest: Audrey Danner, Executive Director, Craig Moffat Economic Development Partnership

Guests Audrey Danner, Executive Director, Craig/Moffat Economic Development Partnership, and Terry Carwile, Colorado Northwestern Community College Board of Control made two requests of the board: 1. A letter in support of Craig/Moffat Economic Development Partnership's broadband program; and 2. Monetary or in-kind support of the program. A motion authorizing the General Manager to issue a letter in support of the program and contribute \$1000 to the planning study was made by Mr. McGill, duly seconded by Mr. Roitsch, and the motion passed unanimously.

ACTION ITEMS

7. Approval of Stagecoach Hydro Program

A motion approving the Stagecoach Hydro Program was made by Mr. McGill, duly seconded by Mr. Ellgen, and carried with a unanimous vote.

8. 2016-2018 Audit Firm Selection

Ms. Mahon noted the RFP process was used to select a new Association audit firm. Five firms responded, four were extensively evaluated. Bollinger, Segars, Gilbert & Moss, LLP. was selected. A motion approving Bollinger, Segars, Gilbert & Moss, LLP. as the new Association audit firm was made by Mr. Fox, duly seconded by Mr. Ellgen, and passed with a unanimous vote.

9. Acceptance of the Financial and Statistical Reports for September

Ms. Mahon provided financial highlights from the month of October. A motion accepting the financial and statistical reports for October was made by Mr. Ellgen, seconded by Mr. Roitsch, and carried with a unanimous vote.

PENDING APPROVAL ITEMS

There were no Pending Approval Items.

INFORMATION ITEMS

10. Staff Reports

A. Finance

Questions around the audit process were addressed.

B. Operations

I. Safety

Questions around workers' compensation and short term disability were addressed.

II. Operations

Mr. Johnson offered clarification around work, service, and job orders.

III. Engineering

Mr. Johnson noted staff will be training on the SCADA system and deployment. Mr. Fox and Mr. Garrity noted they are impressed with the 2015 accomplishments and 2016 project planning.

IV. IT

There were no questions.

C. Human Resources

There were no questions.

D. Communications & PR

There were no questions.

E. Member Relations

Ms. Bertrand noted that as of December 1, 2015, Member Services Representatives will be manually calling members whose power will be disconnected for non-payment until a decision on an FCC ruling restricting automated calls has been made.

F. Facilities and Warehouse

There were no questions.

11. Cyber Security

Mr. Johnson presented a cyber security presentation to the Board. Questions and discussion followed.

12. Underground Cable Replacement Update

Mr. Johnson presented the status of the underground cable replacement program. Questions and discussion followed.

13. 2016 Budget Presentation #2

Ms. Mahon presented updates to the proposed 2016 budget. Questions and discussion followed. The final budget will be returned to the board for final approval in December.

14. AMI

There were no questions.

15. CREA

Mr. McGill noted CREA is in the process of finalizing their 2016 budget. Mr. McGill also noted he attended the Energy Innovations Summit. The battery presentation was amazing.

16. Western United

Mr. McGill noted the permit to approve the New Mexico building has been issued. Western United's rubber testing lab is on schedule to be complete by January 2016.

17. CEC

Ms. Johnson noted she attended CEC's Utility Advisory Council Retreat in Clark, CO. CEC is rolling out a new website and continues to work on improving its billing accuracy.

DISCUSSION ITEMS

18. Open Director Discussion: Load Defection

Discussion was held around load defection and ideas on maximizing load usage.

OTHER ITEMS

19. Unfinished Business

A motion authorizing the General Manager to sign documents necessary to continue the sale of the Overlook property was made by Mr. McClelland, seconded by Mr. Roitsch and the motion passed unanimously.

A motion authorizing the General Manager to establish pricing for the airport property and sign documents necessary to enter into any sale agreement on that property was made by Mr. McGill, seconded by Mr. Roitsch, and the motion passed unanimously.

20. New Business

Mr. McGill requested a review of Board Policy 1-12: Director Training. Mr. McGill and Mr. Roitsch requested permission to attend meetings in lieu of NRECA's Annual Meeting and Mr. Brosious approved the requests.

Mr. Roitsch requested a review of Board Policy 1-7: Director's Expenses and Reimbursements.

21. Recess

A motion to recess this regular meeting of the directors of Yampa Valley Electric Association, Inc., until 11:00 am on Thursday, December 17, 2015 was made, duly seconded, and passed unanimously. The Chairman then declared this regular meeting recessed at 5:08 p.m.

Chairman of the Board

Dated: December 17, 2015

Secretary of the Board

Dated: December 17, 2015