

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, December 17, 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 December 17, 2015. Chairman Dean Brosious reconvened the recessed meeting of November 19, 2015. Upon calling roll, it was reported that the following Directors were present: Dean Brosious, Frank Roitsch, Russell Garrity, Glynda Sheehan, Mike Brinks, Larry Ellgen, Tom Fox, and Scott McGill. Also present were General Counsel, Tom Sharp, 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, Glynda Sheehan, Mike Brinks, Larry Ellgen, Tom Fox and Scott McGill. Also present were General Counsel, Tom Sharp, 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 Strickland, 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 amended 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

Mr. Troeger wished the board of directors and staff happy holidays.

5. Director Comments

Mr. Garrity noted he attended the annual PowerGen Conference. The theme of coal and natural gas discussions was universal among the various companies in attendance at the conference.

Mr. McGill, Mr. Roitsch, directors and staff expressed their sympathy and condolences in noting the loss of former director Mr. Sam Haslem, who passed away suddenly on Wednesday, December 16, at the age of 85.

Directors thanked staff for planning such a festive holiday dinner party, enjoyed by staff, guests and directors in early December.

ACTION ITEMS

6. Selection of 2016 Annual Meeting Date and Location

After a brief discussion, it was decided that the 2016 Annual Meeting would be held at the Hayden High School on the fourth Thursday of the month, which is June 23. Mr. Brosious noted that the regularly scheduled board meeting would be on the 16th as usual. A motion approving the 2016 Annual Meeting date and location was made by Mr. McGill, duly seconded by Mr. Ellgen, and passed unanimously.

7. Approval of 2016 Budget

Ms. Mahon noted that this budget is identical to the budget presented in November and that staff did include the addition of \$40,000 of capital spending to be used for Energy Innovation/Education. After some discussion, a motion approving the presented 2016 budget with the addition of \$225,000 in capital spending to be used for the Onsite Solar Garden Array Project was made by Mr. Ellgen, duly seconded by Mr. Fox, and passed unanimously. Directors thanked staff for providing such substantial and well-presented information.

8. Approval of 2015 Write-Off of Uncollectible Accounts

Ms. Mahon noted these accounts will be submitted to collections and attempts will continue to be made to recover these funds. A motion approving the write-off of uncollectible accounts was made by Mr. Fox, duly seconded by Mr. McGill, and the motion passed unanimously.

9. Approval of Attorney Retainer for 2016

A motion approving the attorney retainer and hourly rate for 2016, as well as the ability for the General Manager to seek legal counsel as deemed appropriate, was made by Mr. Fox, duly seconded by Mr. McGill, and passed unanimously.

10. Acceptance of the Financial and Statistical Reports for September

Ms. Mahon provided financial highlights from the month of November. After some discussion, it was agreed upon to use “favorable/unfavorable” instead of “above/below” in the Executive Summary section of the reports. A motion accepting the financial and statistical reports for November was made by Mr. Fox, seconded by Ms. Sheehan, and carried with a unanimous vote.

PENDING APPROVAL ITEMS

11. Low Income Solar Grid Project

Ms. Johnson provided directors with an overview of a possible solar grid project. After questions and discussion, it was determined that representatives from GRID Alternatives and the Colorado Energy Office will speak to the board in more detail during the January 21, 2016 board meeting.

INFORMATION ITEMS

12. Staff Reports

A. Finance

There were no questions.

B. Operations

I. Safety

Mr. Johnson noted CREA now has loss control staff in place and they are catching up on their training schedule. YVEA staff attended CREA's annual blood borne pathogen training on November 20, held at the Steamboat Springs office.

II. Operations

There were no questions.

III. Engineering

There were no questions.

IV. IT

Questions around the construction of the new campus were addressed. Ms. Johnson noted that planning detail for the command center will be addressed during the planning stages of the project.

C. Human Resources

Ms. Sheehan congratulated Ms. Owens on earning her PHR certification. Ms. Owens noted the pay for performance process is moving along as planned.

D. Communications & PR

Mr. Fox complimented Ms. Strickland on the article in the November 26 edition of Steamboat Pilot and Today newspaper. The article answered many frequently asked questions surrounding the Operation Round Up program. Ms. Strickland reiterated that the program is entirely voluntary, and members may opt-out, or in, at any time.

E. Member Relations

There were no questions.

F. Facilities and Warehouse

There were no questions.

13. TCPA

Mr. Sharp explained the history of the Telephone Consumer Protection Act of 1991 and its effects on the Association's auto-dialing procedure. Mr. Sharp urged that until the industry gains clarity or an exception, the Association is not to utilize auto-dial technology for notification of delinquency or notification of power shut-off for delinquency. The Association will continue to use auto-dial technology only for notification of planned and unplanned emergency outages.

14. Building Update

Ms. Johnson noted that the building committee has reached a decision regarding the layout design of the new campus. Questions and discussion followed.

15. 2016 Budget Final Presentation

Ms. Mahon presented the final 2016 budget. Approval of the 2016 Budget is noted under Item 7.

16. AMI

There were no questions.

17. CREA

Mr. McGill noted CREA's Annual meeting will be held February 27 through March 1, 2016. The fall meeting will be held September 11-14, 2016.

Mr. McGill expressed his concern for developing a standard CEO evaluation that would allow for more accurate compensation. Mr. McGill requested the board research cooperative standards and policies for evaluating and compensating CEO's.

18. Western United

Mr. McGill provided financial highlights from the month of November. Mr. McGill announced Western United's rubber materials testing facility is opening this month. Six members are already participating in its testing program.

Mr. McGill noted that half of the 2008 Patronage Capital is being paid to members.

Mr. McGill also made note that Mountain Parks Electric charges \$55/month for meter reading for those who have opted-out of the Mountain Parks Electric AMI program.

19. CEC

Ms. Johnson noted CEC continues to battle tracking and production issues. Mr. Brosious noted CEC is also experiencing technical difficulties with its new website.

DISCUSSION ITEMS

20. Open Director Discussion

Electrification of cars will be added to January's Open Director Discussion.

OTHER ITEMS

21. Unfinished Business

Director Roitsch recommended that Policy 1-7 on Director Expenses be amended to include the statement "An exception to this is the attendance at the NRECA national meeting where a guest's dinner meal can be reimbursed if attending the YVEA Board Dinner. Liquor is not to be reimbursed." After discussion, a poll showed the consensus was to leave the policy in its current form.

22. New Business

There was no new business. General discussion followed.

23. Recess

A motion to recess this regular meeting of the directors of Yampa Valley Electric Association, Inc., until 11:00 am on Thursday, January 21, 2016 was made, duly seconded, and passed unanimously. The Chairman then declared this regular meeting recessed at 4:35 p.m.

Chairman of the Board

Dated: January 21, 2016

Secretary of the Board

Dated: January 21, 2016