

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, February 12, 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 February 12, 2015. Chairman Dean Brosious reconvened the recessed meeting of January 15, 2015. Upon calling roll, it was reported that the following Directors were present: Dean Brosious, Mike Brinks, Frank Roitsch, Russell Garrity, Pat McClelland, Glynda Sheehan, Larry Ellgen, Tom Fox, and Scott McGill. Also present were General Counsel, Tom Sharp and General Manager, Diane Johnson. 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, Mike Brinks, Frank Roitsch, Russell Garrity, Pat McClelland, Glynda Sheehan, Larry Ellgen, Tom Fox, and Scott McGill. Also present were General Counsel, Tom Sharp; General Manager, Diane Johnson; Interim Chief Financial Officer, Frank Skube; 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.

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 Tom Sharp, General Counsel 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-Owners present.

5. Director Comments

Mr. Roitsch attended CREA’s annual meeting and was impressed by watching the legislators in action. He considered the meeting worthwhile. Mr. Fox commented on the monthly news magazine. He enjoys reading about the featured employees and thinks featuring employees in the magazine is a great idea. Ms. Sheehan added the article she thought was interesting described what a lineman wears. Ms. Bertrand summarized the

gear the lineman wear. She added there may be a contest to have kids correctly put on gear during the member appreciation event.

ACTION ITEMS

6. Acceptance of the Financial and Statistical Report

There was no Financial Report this month as the data is still being compiled. Month and year-end information will be presented during March's board meeting.

7. Town of Hayden Franchise Agreement

This item was tabled as documents are still being prepared and finalized.

8. Parking License Agreement with the City of Steamboat Springs

Discussion was held around leasing the parking area at the old campus. YVEA will turn over responsibility of maintaining the area to the City of Steamboat Springs for a term undefined, and the agreement may be revoked at any time. A motion was made by Mr. Fox, duly seconded by Mr. McClelland to authorize Ms. Johnson to sign and enter into this license agreement with the City of Steamboat Springs, and the motion passed unanimously.

INFORMATION ITEMS

9. Staff Reports

A. Operations

I. Safety

Mr. Brinks complimented Mr. Johnson and Operations staff on the safety report.

II. Operations

There were no questions.

III. Engineering

There were no questions.

IV. IT

There were no questions

B. Human Resources

Ms. Owens reported that one of the linemen is moving to Nebraska to be with family, his last day is February 20. An offer has been extended to a lineman to replace this vacancy and he will start next month. The department will be fully staffed. Mr. McClelland complimented Ms. Owens on the new Employee Directory which includes pictures of all staff.

C. Communications & PR

Ms. McKenzie updated the board on this month's magazine issue, noting the President's message will talk about CEC's solar garden and grand opening ceremony.

Washington D.C Youth Tour & Cooperative Youth Leadership Camp winners have been notified.

Clothing with the new logo will be rolled out at the March all employee meeting. Each employee will be provided with a catalog and ordering instructions at the meeting. Ms. Johnson added, the goal is to develop an intranet or employee portal, allowing employees and board members access to policies, clothing, and other company information. Logoing of personal clothing will be offered, and purchase of items beyond company issued items is also allowed. Discussion was held around policy development and implementation.

D. Member Relations

Ms. Bertrand noted CEC Billing went through as planned. A new color scheme is in process and should roll out with April billing. The new scheme will be greyscale with the new color logo. Various questions around credit billing were addressed.

Mr. Fox expressed his frustration with being unable to make payments over the phone. Ms. Bertrand explained that in compliance with PCI (Protection of Consumer Information) payments by phone are not allowed. Ms. Bertrand will research options that will allow more convenient payment.

Ms. Sheehan asked if staff has received feedback on the new fee schedule. Ms. Bertrand replied that as of February's board meeting there has been no feedback on the new fee schedule.

E. Facilities and Warehouse

Mr. Pierce updated the board on preparations for summer line and facilities construction. Mr. McClelland noted he is pleased with the new gate system at the new campus.

10. SB-252 Compliance

Ms. Johnson provided the board with updates relating to Senate bill 252. A bill has been proposed to Senate that removes the distinction between retail and wholesale as they relate to compliance with SB-252. YVEA supports the bill in its entirety. Under this bill, community solar gardens will be considered retail. A Smart Grid bill has been submitted. This bill would require every utility to meet standards for smart grid planning. YVEA would be expected to provide customers with bill information wirelessly. Ms. Johnson explained that YVEA currently does not have the capability to provide wireless data to customers. Ms. Johnson added that YVEA supports moving forward technologically, but within our limits both financially and ethically.

Ms. Johnson noted a meeting is planned in Craig with Upper Yampa Valley Water Conservancy to discuss contract capability with Stagecoach Reservoir hydroelectric output. She understands the board's commitment to comply with SB-252 and will continue to strive to achieve that goal.

Ms. Johnson explained that staff is researching providing operations and maintenance services to Oak Creek. Staff will continue to monitor load at this time but we are not currently pursuing purchase power agreement with Oak Creek. Mr. Roitsch suggested that with the expectation that the infrastructure is old and possibly unsafe, YVEA should add an agreement to upgrade to IEEE code if services are provided, on outdated infrastructure.

Ms. Johnson commented that staff is working with a potential partner, GRID Alternatives, a non-profit company, who installs rooftop solar on low income/affordable housing. GRID Alternatives is interested in constructing community solar gardens. Once a site is agreed upon, volunteers will construct the garden. Volunteers must qualify for low income/affordable housing and intend on purchasing power from the garden. They would receive credit offsetting electricity use. Their home must meet efficiency

standards. The output of this construction does meet SB-252 standards. The commitment YVEA is asked to make is in-kind: land, equipment. Construction is financed by GRID Alternatives. Mr. Fox replied that YVEA does own land that is affordable for the project but Mr. Fox and the board would like to see GRID Alternatives supply sufficient research determining the demand for this project.

11. CREA

Mr. Brosious, Mr. McClelland, Mr. Roitsch, and Mr. McGill attended the annual meeting. Deloitte & Touche white papers have been provided to the board as well as Year in Review and the Legislative Directory literature. Attendees felt the cyber security and general security speakers were informative. Mr. McClelland added, the presentation around what coops are doing was informative and should be added to the YVEA annual meeting agenda and/or member appreciation event.

12. Western United

Mr. McGill noted Western United just passed \$100 million in sales. \$105 million is expected this year. Western United is no longer buying a new building, but will build on approximately two acres. Mr. McGill added, their annual meeting materials can be provided to the board.

13. CEC

Updates were provided during Sections 10 and 11.

14. Unfinished Business

There was no unfinished business discussed.

15. New Business

Mr. Roitsch commented a Milner area grower pays about \$3000 per month in electric utilities payments. Should a special rate be provided to growers and grow houses? Ms. Johnson replied this is the perfect time for this type of research as Ms. Bertrand is currently researching rates and tariffs. Mr. McClelland added, this type of customer should fit in commercial territory. Ms. Johnson and Ms. Bertrand replied, they do classify as a commercial customer. Ms. Johnson noted a Cost of Service study will take place during 2016 budget year.

Ms. Johnson noted the Steamboat Chamber & Tourism Meeting: City is restarting/reenergizing its police station location project and downtown infrastructure redevelopments. YVEA has provided cost of underground line through downtown and has requested the City provide a response as to their commitment to this project, but no response has been received at this time.

Ms. Johnson reminded the board there will be no flight service out of Hayden Airport between April 24th and June 15th.

Ms. Johnson noted Northwest Broadband Coalition (NBC) has allowed competition to provide services in the area. YVEA is currently working with NBC to improve technology at both Steamboat Springs and Craig campuses. NBC is working to procure fiber from a portion of currently existing fiber line. They are working with Moffat county to discover Moffat county carrier neutral location options. Department Of Local Affairs funding is available to cover the cost this research. Ms. Johnson assured the board these are strong partnerships that YVEA can participate in and she will keep board informed of conversations. Ms. Johnson added that when at Waverly, IA, Muni Broadband Utility performed a similar function, which was just approved. This is proof it makes sense to keep being part of that space. Mr. Fox suggested that the next board retreat, hoping to be held at Three Forks Ranch, include a tour of our infrastructure on their property.

16. Recess

A motion to recess this regular meeting of the directors of Yampa Valley Electric Association, Inc., until 1:00 pm on Thursday, March 19, 2015 was made by Mr. Brinks, seconded by Mr. Ellgen, and passed unanimously. The Chairman then declared this regular meeting recessed at 3:00 p.m.

Chairman of the Board

Dated: March 19, 2015

Secretary of the Board

Dated: March 19, 2015