

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, June 18, 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 June 18, 2015. Chairman Dean Brosious reconvened the recessed meeting of May 21, 2015. Upon calling roll, it was reported that the following Directors were present: Dean Brosious, Frank Roitsch, Russell Garrity, Pat McClelland, Glynda Sheehan, Tom Fox, Larry Ellgen, 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, Frank Roitsch, Russell Garrity, Pat McClelland, Glynda Sheehan, Tom Fox, Larry Ellgen, 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 McKenzie, guests Andy Glover and Nivin Elgohary, CoBank.

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 and Cameron Boyd, Real Estate Broker, were in attendance during such executive session. Also in attendance for a short time were representatives from the Steamboat Springs School District who presented information on proposed land use. 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

There were no Member-owners present.

5. Guests: Andy Glover and Nivin Elgohary, CoBank

Mr. Andy Glover and Ms. Nivin Elgohary, CoBank, provided a summary of CoBank's mission, values, and focus for the future of the company.

6. Director Comments

Mr. Roitsch complimented Ms. Johnson on filling all direct report positions with intelligent, hardworking individuals who all get along. Ms. Johnson echoed Mr. Roitsch's compliments.

Mr. McGill noted he appreciated the Electricity 101 class presented by RMEL. He found the class very helpful. Ms. Johnson added RMEL did record the class and will provide the recording upon request.

Mr. Garrity added he is pleased with the new furniture in the Community Room. Ms. Johnson thanked Mr. Johnson, Ms. McKenzie, Ms. Wilson and staff for completing the project.

Mr. McClelland thanked Mr. Johnson for the impromptu tour of YVEA equipment during the lunch break of the Electricity 101 class.

ACTION ITEMS

7. Authorization for Listing Agreement on Overlook and other YVEA Properties

A motion authorizing the General Manager to execute listing contracts was made by Mr. Roitsch, duly seconded by Mr. McClelland, and the motion carried with a unanimous vote.

A motion authorizing the General Manager to enter into a contract extension on 32 10th Street property for any day through the end of July was made by Mr. McGill, duly seconded by Mr. McClelland and passed, with Mr. Fox abstaining from the vote.

8. Resolution 15-04: Modification to Rules and Regulations Verbiage

Ms. Bertrand requested a motion be made for approval to make a change to the wording of the Association's bill, affected by changes in format to the printing of the bill. The change in formatting saves approximately \$.01 per bill. The motion was made by Mr. McGill, duly seconded by Ms. Sheehan, and passed unanimously.

9. Acceptance of the Financial and Statistical Reports

Ms. Mahon presented May financials. Mr. Garrity expressed his thanks for the accompanying graphs and added the trending information will be helpful. Ms. Johnson suggested that the board please notify Ms. Mahon if they should find items they would like to see included in the graphs. Ms. Mahon will include an executive summary with future monthly financials. Mr. Brosious reminded the board to stay vision-focused and less detail-focused when reviewing the monthly financials. A motion accepting the financial and statistical reports for May was made by Mr. McClelland, seconded by Mr. McGill, and carried with a unanimous vote.

INFORMATION ITEMS

10. Staff Reports

A. Finance

Questions around financial reporting and trending were addressed. Ms. Mahon will provide explanations for variations via email to the board.

B. Operations

I. Safety

Mr. Johnson noted there has been one injury in May. The employee injured his elbow and will require surgery with 6-8 weeks of recovery.

II. Operations

Mr. Johnson informed the board the Association will be migrating its after-hours call dispatch to Cooperative Response Center (CRC) over the next 90 days. Current after-hours dispatch needs aren't being met by DMEA. Ms. Johnson added by choosing CRC, a nationwide call center, the ability to respond to members will improve, as well as the ability to track data from these calls. Ms. Bertrand and Mr. Johnson spent a lot of time with DMEA working to remedy the issues, and concluded DMEA is not staffed or equipped to handle load from the Association in addition to surrounding cooperatives during storms.

III. Engineering

Mr. Johnson provided clarification on the underground cable injection process and presented current cost savings of injection versus replacement of underground cable. Mr. Johnson added the project has been progressing faster than expected which should lead to a cost savings, and there have been zero outages in injected areas since injection has taken place.

IV. IT

There were no questions.

C. Human Resources

Ms. Owens noted the Construction Coordinator position is currently vacant and the Field Services Rep position is close to being filled.

D. Communications & PR

There were no questions. Mr. Garrity noted he is excited that an Operation Round Up grant winner is speaking at the annual meeting. Mr. Garrity also suggested the Association pursue the CoBank grant Mr. Glover and Ms. Elgohary mentioned in their presentation.

E. Member Relations

Mr. Roitsch expressed his appreciation for the AMI talking points cards Ms. Bertrand distributed to the board.

F. Facilities and Warehouse

Ms. Owens noted there is a Warehouse Laborer position open. Discussion was held around the storm water management plan as it relates to existing Association-owned properties. Ms. Johnson explained the properties will undergo the proper inspections and the plans will be closed accordingly as the properties are sold.

11. CREA

Mr. McGill noted that although he was unable to make it to the first day of Grand Valley Power and Grid Alternative's solar garden installation, he was able to stop by during the second day and he was glad Ms. Johnson was present to represent the Association.

12. Western United

Mr. McGill explained the board has received all updates from the past month. Both CREA and Western United will have meetings next month.

13. CEC

There was no update.

14. AMI

Ms. Bertrand distributed talking point cards to the board and noted all employees have also received these cards. More cards will be added to continue to train and inform all employees when speaking with members.

Mr. Johnson noted that after an extensive evaluation, the AMI team has selected Landis + Gyr as the supplier of AMI technology. Mr. Johnson and team would like to begin a pilot program at the end of the year. The team will bring recommendation to Ms. Johnson for final approval.

DISCUSSION ITEMS

15. Headquarters Reconstruction

Ms. Johnson provided the board with a briefing in terms of architects selected to be interviewed for Association headquarters reconstruction. A total of seven bids were received. Ms. Johnson and staff would like interview four of the firms, two of which are local.

OTHER ITEMS

16. Unfinished Business

Mr. Brosious reminded the board to continue thinking philosophically about achieving Senate Bill 252 requirements and not rely on legal compliance to drive decisions.

Ms. Johnson requested the board address three items: 1. Net metering pricing from a cost of service perspective; 2. Energy efficiency programs for the 2016 budget; and 3. Interconnection limits on residential buildings.

Ms. Sheehan inquired about the letter to be mailed to all Colorado representatives urging them to pursue all options that would continue operations of the mines. Ms. Johnson replied that she will be holding a phone call with Tri-State to talk about the content of the letter. Ms. Johnson noted she has attempted to reach Twentymile Mine to introduce them to Ms. Moore Kemp, in order to maintain dialogue, and discuss plans should Colowyo not be allowed to operate. Twentymile has not responded.

17. New Business

Mr. Brosious read a request from a member-owner to add district and/or map locations on bills as there has been confusion as to who can run for what district and where. Mr. Sharp noted cooperative districts typically don't overlap, the Association's district mapping is unusual. Questions and clarification around district boundaries and technological limitations with regard to billing formatting followed.

18. Recess

A motion to recess this regular meeting of the directors of Yampa Valley Electric Association, Inc., until 11:00 am on Thursday, July 16, 2015 was made, duly seconded, and passed unanimously. The Chairman then declared this regular meeting recessed at 4:04 p.m.

19. Executive Session

The Board of Directors of Yampa Valley Electric Association, Inc., reconvened at 2211 Elk River Road, Steamboat Springs, Colorado, at 4:05 p.m. on Thursday, June 18, 2015. Chairman Dean Brosious reconvened the recessed meeting of Thursday, June 18, 2015 (the "Recessed Meeting"). Upon calling roll, it was reported that the following directors were present: Dean Brosious, Frank Roitsch, Russell Garrity, Pat McClelland, Glynda Sheehan, Tom Fox, Larry Ellgen, 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, 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. Specifically, property discussions were convened. A decision to enter into contract negotiations with the Steamboat Springs School District was discussed. The board ended the executive session and returned to its public meeting session at approximately 4:20 p.m. In the public meeting, a motion was made and duly seconded authorizing the General Manager to execute a contract for the sale of Overlook property to the Steamboat Springs School District if terms and pricing, as discussed in executive session, can be agreed upon. The motion carried with a unanimous vote.

20. Recess

A motion to recess this regular meeting of the directors of Yampa Valley Electric Association, Inc., until 1:00 p.m. on Thursday, July 16, 2015, was made, duly seconded, and passed unanimously. The Chairman then declared this regular meeting recessed at 4:20 p.m.

Chairman of the Board

Dated: July 16, 2015

Secretary of the Board

Dated: July 16, 2015