

**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, October 20, 2016

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 10:00 a.m. on October 20, 2016.

Chairman Dean Brosious reconvened the recessed meeting of September 15, 2016. Upon calling roll, it was reported that the following Directors were present: Dean Brosious, Pat McClelland, Frank Roitsch, Russell Garrity, Mike Brinks, Scott McGill, Larry Ellgen, Tom Fox and Glynda Sheehan. Also present was 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, Pat McClelland, Frank Roitsch, Russell Garrity, Mike Brinks, Scott McGill, Larry Ellgen, Tom Fox and Glynda Sheehan. Also present were General Counsel, Tom Sharp; General Manager, Diane Johnson; Chief Operating Officer, Steve Johnson; Board Secretary Larissa Wilson; Human Resources Manager, Randi Owens; Member Relations Manager, Kathy Bertrand; Communications and Public Relations Manager, Tammi Strickland; Guests Mr. Sheldon Peterson and Mr. Chip Marks from CFC were present through item 7.

**2. Open Director Discussion**

After the Chairman declared the meeting open, a motion was made, duly seconded, and passed unanimously that the board of directors go immediately into open director discussion to discuss and consider various topics as decided upon by the directors. Board members and Diane Johnson, General Manager, were in attendance during such discussion. Such discussion convened at approximately 10:00 a.m., and the board ended the discussion at approximately 11:00 a.m.

**3. Executive Session**

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, pending or threatened litigation, and consultations with special counsel regarding pending member bankruptcies. Board members, Tom Sharp, General Counsel, and Diane Johnson, General Manager, 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.

**4. 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.

#### **5. Member-Owner Comments**

There were no member-owners present.

#### **6. Director Comments**

Mr. Garrity described a recent visit from Association crews and contractors installing poles and an AMI meter. Mr. Garrity noted the crews called for access, explained their work, and did an amazing job.

#### **7. Guest: Sheldon Peterson**

Mr. Brosious introduced Mr. Sheldon Peterson and Mr. Chip Marks from CFC. Mr. Marks presented Mr. Brosious and board members a commemorative clock for being 100% borrower. Mr. Marks thanked the board for its patronage, believing in CFC, and sharing thoughts and ideas from both staff and director levels.

Mr. Marks then introduced Mr. Sheldon Peterson, President of CF. Mr. Peterson thanked the board for its patronage and provided an update on CFC business and financials. Board members were given the opportunity to ask questions. Mr. Sharp commended CFC staff for their service and assistance when completing various transactions.

### **ACTION ITEMS**

#### **8. Approval of 2016 Holiday Bonus**

A motion directing staff to implement holiday bonuses as discussed during Executive Session was made by Mr. Ellgen, seconded by Mr. McClelland, and the motion carried with a unanimous vote.

#### **9. Resolution for G.M. Contract**

A motion approving a contract for the General Manager as discussed in Executive Session was made by Mr. McClelland, duly seconded by Mr. Roitsch, and the motion carried with a unanimous vote.

#### **10. Acceptance of the Financial and Statistical Reports for September**

Questions regarding planned and unplanned construction capital and equity targets were addressed. A motion accepting the financial and statistical reports for September was made by Mr. Ellgen, duly seconded by Mr. Brinks, and carried with a unanimous vote.

### **PENDING APPROVAL ITEMS**

There were no Pending Approval Items.

### **INFORMATION ITEMS**

#### **11. Staff Reports**

##### **A. Finance**

There were no questions.

##### **I. Wholesale Power**

There was no report.

##### **B. Operations**

**I. Safety**

There were no questions.

**II. Operations**

Mr. Johnson noted the BLM tree clearing project is ongoing as planned.

**III. Engineering**

Mr. Fox and Mr. Johnson discussed the Thompson Hill substation breaker notations that were provided in the Engineering report. Mr. Johnson noted crews are upgrading all equipment and technology, and preparing for SCADA implementation at the substation.

**IV. IT**

There were no questions.

**C. Human Resources**

There were no questions.

**D. Communications & PR**

Ms. Strickland noted that members are able to gift payment or partial payment of energy bills.

**E. Member Relations**

There were no questions.

**F. Facilities and Warehouse**

Ms. Johnson noted a new automated gate has been installed on the property. Ms. Johnson explained that this gate is to be used for heavy equipment and logged vehicles only.

**12. 2017 Preliminary Draft Budget**

Ms. Johnson noted staff will make the requested changes and present a polished presentation at the November board meeting. The focus will be on capital credit options. Mr. Garrity complimented staff on the presentation format.

**13. AMI**

Ms. Bertrand noted the AMI project is continuing deployment as expected. To date, 6970 AMI meters have been deployed. There were no opt-outs for the month of September. Two members who previously opted-out have since opted-in to the program.

**14. CREA**

Mr. McGill noted there was no regular meeting, however the budget and finance committee met. The committee determined there will be no increase in dues.

**15. Western United**

Mr. McGill noted there was no meeting.

**16. CEC**

Mr. Brosious noted two panels have been purchased.

**OTHER ITEMS**

**17. Unfinished Business**

Mr. McClelland noted the new three-phase installation at the college went smoothly.

Mr. Fox suggested that staff be permitted to hire an architect for design services for the reception area at the Craig office. A poll was taken and the consensus was to move forward and research firms for design services for the reception area of the Craig office.

The board discussed the status of the Peabody bankruptcy.

**18. New Business**

Ms. Johnson described a recent situation regarding communication that NRECA had asked General Managers to distribute regarding retirement and pension plans. Ms. Johnson asked the board if they would oppose the distribution of future communication on behalf of other organizations. Mr. McGill noted he would be opposed to email distribution. Mr. Fox noted he would not be opposed to email distribution.

The board discussed topics for future Open Director Discussion agendas. Mr. Brosious suggested board members email any ideas to his attention with a carbon copy to Diane.

**19. Recess**

A motion to recess this regular meeting of the directors of Yampa Valley Electric Association, Inc., until 10:00 am on Thursday, November 17, 2016 was made, duly seconded, and passed unanimously. The Chairman then declared this regular meeting recessed at 2:37 p.m.

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Chairman of the Board

Dated: November 17, 2016

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Secretary of the Board

Dated: November 17, 2016