

**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, May 19, 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 11:00 a.m. on May 19, 2016. Chairman Dean Brosious reconvened the recessed meeting of April 21, 2016. Upon calling roll, it was reported that the following Directors were present: Dean Brosious, Pat McClelland, Frank Roitsch, Russell Garrity, Mike Brinks, Tom Fox, Scott McGill, Larry Ellgen and Glynda Sheehan. 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, Pat McClelland, Frank Roitsch, Russell Garrity, Mike Brinks, Tom Fox, Scott McGill, Larry Ellgen and Glynda Sheehan. 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; Board Secretary Larissa Wilson; Member Relations Manager, Kathy Bertrand; Communications and Public Relations Manager, Tammi Strickland; Guest Randy Starr was present until 2:30pm.

**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, pending or threatened litigation, and consultations with special counsel regarding pending member bankruptcies. 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**

There were no member-owners present.

Mr. Brosious introduced Mr. Randy Starr, General Counsel for Holy Cross Energy and Poudre Valley Electric Association.

## **5. Director Comments**

Mr. McClelland noted he and Mr. Brosious attended the NRECA legislative conference in Washington, D.C, in early May. The conference held informative forums.

Mr. Garrity suggested directors read the article, "Power is Good", in the latest issue of Colorado Country Life magazine.

Mr. Fox asked if the Association offers a surge protection program. Ms. Bertrand replied that the Association does offer a home surge protection program for a monthly charge.

Mr. Brosious commented that he had received a letter from a company looking to lease land for a solar farm, and noted that other area residents had received similar solicitations.

Mr. Brinks noted he attended and enjoyed the barbeque hosted by staff to thank linemen and support staff for their hard work during the recent spring snow storm.

Mr. Roitsch noted windmills are expected to be decreasing emissions by one million tons per year.

## **ACTION ITEMS**

### **6. Allocation of Capital Credits**

Ms. Mahon presented capital credit retirement and allocation information. Questions and discussion followed. Consideration was given to the Association's current financial position, the reliability and financial status of the Association's large power members, and forecasting of potential future financial fluctuations. Ms. Johnson suggested the board consider a compromise between drawing down the Association's line of credit and retiring capital credits. A motion approving the allocation of 2015 margins to assigned capital credits as set forth on page two of the presentation and also retiring all of year 2000 capital credits, except for rate class 81, as highlighted on page four of the presentation was made by Mr. McGill, duly seconded by Mr. Ellgen, and the motion passed unanimously.

A motion was then made by Ms. Sheehan to increase the minimum dollar amount that requires a check to be cut to \$50.00. Amounts under \$50.00 will be credited to the member's bill. This change in process will require no additional labor or cost. The motion was duly seconded by Mr. McGill, and the motion passed unanimously.

### **7. Acceptance of the Financial and Statistical Reports for April**

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

## **PENDING APPROVAL ITEMS**

There were no Pending Approval Items.

## **INFORMATION ITEMS**

### **8. Staff Reports**

#### **A. Finance**

Ms. Mahon noted the Cost of Service Study Committee will meet again on June 7.  
Mr. Roitsch requested to attend the Cost of Service Study Committee meetings. Ms.

Johnson replied that directors are welcome to attend as observers, but all information from the study will be presented at future board meetings.

## **B. Operations**

### **I. Safety**

Questions around the definition of an accident, or incident, were addressed. Mr. Johnson will continue to provide detail around any accident, incident, or near miss on future reports.

### **II. Operations**

Questions about tree trimming, contractors, and reliability were addressed.

### **III. Engineering**

There were no questions.

### **IV. IT**

There were no questions.

## **C. Human Resources**

There were no questions.

## **D. Communications & PR**

There were no questions.

## **E. Member Relations**

Questions around the Cen\$ible Energy program were addressed.

## **F. Facilities and Warehouse**

There were no questions.

## **9. Building Update**

There was no discussion under this item.

## **10. AMI**

Mr. Johnson provided an update of the AMI project. To date, 1499 AMI meters have been fully installed and the project has experienced no issues or set-backs.

## **11. CREA**

Mr. McGill provided highlights from the CREA meeting.

## **12. Western United**

Mr. McGill provided highlights from the Western United meeting for month of April. The rubber goods testing lab is a success. Currently, the lab has 45 customers, including municipal utilities. Redemption of the remaining half of year 2008 patronage capital was approved.

## **13. CEC**

There was no update.

## **DISCUSSION ITEMS**

## **14. Open Director Discussion**

Directors discussed the recent survey requested from CREA.

Discussion was held around the request by a director candidate to release member-owner names and mailing information for the purpose of campaigning for election to the board.

Careful consideration was given to the fact that an election is currently underway, and the decision to address this topic post-election was unanimous. Therefore, current policy, Board Policy 5-5, and precedent will be followed during the election underway. Board Policy 5-5 and corresponding statutes will be reviewed post-election.

**OTHER ITEMS**

**15. Unfinished Business**

There was no Unfinished Business.

**16. New Business**

There was no New Business.

**17. Recess**

A motion to recess this regular meeting of the directors of Yampa Valley Electric Association, Inc., until 11:00 am on Thursday, June 16, 2016 was made, duly seconded, and passed unanimously. The Chairman then declared this regular meeting recessed at 3:38 p.m.

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Chairman of the Board

Dated: June 16, 2016

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Secretary of the Board

Dated: June 16, 2016