

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 16, 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 June 16, 2016. Vice Chairman Pat McClelland reconvened the recessed meeting of May 19, 2016. Upon calling roll, it was reported that the following Directors were present: 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 Vice Chairman declared that the Recessed Meeting was re-opened, there was no further business. The Vice 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: Pat McClelland, Frank Roitsch, Russell Garrity, Mike Brinks, Tom Fox, Scott McGill, Larry Ellgen and Glynda Sheehan. Also present were General Counsel, Tom Sharp, present until 3:53 p.m.; General Manager, Diane Johnson; Chief Operating Officer, Steve Johnson; Manager of Accounting Services and Warehouse and Facilities, Amy Mahon; Board Secretary Larissa Wilson; Human Resources Manager, Randi Owens; Member Relations Manager, Kathy Bertrand; Communications and Public Relations Manager, Tammi Strickland; member-owner, Jeff Troeger; guest Bill Leung from William Y. Leung, LLC; guest Jim Sack from Xcel Energy was present through item 9; guests Jon Gambrell and Jennifer Kelly from Gensler, and Steve Shelesky and David Wilson from Blue Sage Ventures, were present through item 11; guests Larry Feltner, Steve Seelye, and Jeff Wernert from The Prime Group, LLC were present through item 12.

2. Executive Session

After the Vice 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 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-owner comments.

5. Director Comments

Mr. McGill noted that he recently experienced a brown-out at his residence which occurred after normal business hours. Mr. McGill complimented Mr. Rex Stafford on his quick response and assistance in remedying the issue. Mr. McGill also noted the recent CEC forum he attended hosted various interesting speakers, and suggested other board members consider attending the forum in the future.

ACTION ITEMS

6. Approval of Amendment to Board Policy 5-5: Membership List Dissemination

This item was tabled until the July board meeting.

7. Approval of Operation Round Up Director Recommendation

The Operation Round Up board of directors reviewed two letters of interest submitted for recommendation to fill two Operation Round Up director vacancies. The board recommended Darcy Owens-Trask to fill Rebecca Wattles position, and Christine Oxley to fill Kathy Powell's position, as Ms. Wattles and Ms. Powell have served the maximum consecutive terms allowed by Operation Round Up bylaws. A motion approving the two candidates for positions on the board of directors of Operation Round Up was made by Mr. Garrity, duly seconded by Mr. Fox and the motion carried with a unanimous vote.

8. Acceptance of the Financial and Statistical Reports for May

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

PENDING APPROVAL ITEMS

There were no Pending Approval Items.

INFORMATION ITEMS

9. Jim Sack, Xcel Energy: Revised Yampa Valley Reports and Charts

Mr. Jim Sack provided a brief explanation of the recent billing error that occurred in April. Mr. Sack offered his apologies on behalf of Xcel Energy to the Association and its members for the error that was caused by the recent conversion to a new energy management system that also manages their billing system. This error caused the Association to incorrectly charge a group of members. Mr. Sack noted Xcel will utilize their new energy management system to assist the Association in obtaining data that previously has been difficult to obtain.

10. Staff Reports

Staff reports were waived this month. Discussion was held to questions only.

A. Finance

There were no questions.

B. Operations

I. Safety

There were no questions.

II. Operations

There were no questions.

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

There were no questions.

F. Facilities and Warehouse

There were no questions.

11. Building Update

Mr. Jon Gambrill and Ms. Jennifer Kelly from Gensler, the architectural firm chosen to help design the Steamboat Springs campus, presented their preliminary conceptual massing images and design for phase one of the campus remodel. Ms. Mahon offered an updated explanation of projected costs associated with this project. Mr. Steve Shelesky of Blue Sage Ventures provided insight into concepts that may be considered as the Association moves through its property development.

12. Cost of Service Study Presentation

Mr. Larry Feltner, Mr. Steve Seelye, and Mr. Jeff Wernert from The Prime Group, LLC, presented the results of the recent cost of service study. The Prime Group presented board members and staff with an in-depth background of the study, and provided detailed information on the Association's cost to provide service, their review of the Association's current rate structure, and their recommendations for board consideration. Questions and discussion followed, including: the distinction between kilowatts and kilowatt hours; determination of the separation between rate classes; energy rates versus demand rates and four-part rates; and renewable energy comparisons, statistics and trends. The board gave direction to The Prime Group on matters concerning: the target rate of return to be used for determining rates; the maximum percentage increase for any rate class; rate reclassification of various rate classes; and the customer charge level for various reclassified rate classes.

13. AMI

The Advanced Metering Infrastructure Meter Reading Options policy was presented to the board for approval. Discussion was held around the logistics of the policy, including communication of members' responsibility under the policy, verification of the meter reading, and payment and fee schedule. A poll was taken and consensus to move forward with the policy was unanimous.

14. CREA

Mr. McGill provided highlights from the May CREA meeting.

15. Western United

Mr. McGill noted there was no May meeting.

16. CEC

There was no update.

DISCUSSION ITEMS

17. Open Director Discussion

a. Scholarship Fund for Unclaimed Capital Credits

This item was tabled until the July board meeting.

OTHER ITEMS

18. Unfinished Business

There was no Unfinished Business.

19. New Business

a. NCB Fiber Project

This item was tabled until the July board meeting.

b. Xcel Wind Farm

This item was tabled until the July board meeting.

20. Recess

A motion to recess this regular meeting of the directors of Yampa Valley Electric Association, Inc., until 11:00 am on Thursday, July 21, 2016 was made, duly seconded, and passed unanimously. The Vice Chairman then declared this regular meeting recessed at 5:52 p.m.

Chairman of the Board

Dated: July 21, 2016

Secretary of the Board

Dated: July 21, 2016