

YAMPA VALLEY ELECTRIC ASSOCIATION, INC.
ANNUAL MEETING OF MEMBERS

The Annual Meeting of Members of Yampa Valley Electric Association, Inc. hereinafter called the "Association" was held at the Hayden High School Auditorium in Hayden, Colorado at 6:00 p.m. on Thursday, June 25, 2015.

Mr. Dean Brosious, Chairman of the Board, called the meeting to order and announced that 61 members were registered, which constituted a quorum for the transaction of all business.

Mr. Brosious introduced the Board of Directors (Mr. Mike Brinks absent); Mr. Tom Sharp, the Association's attorney; and General Manager, Ms. Diane Johnson. Mr. Sharp was appointed as parliamentarian for the meeting.

Mr. Brosious introduced special guests: Mayor of the City of Craig, Ray Beck; Senior Social Center of Craig Executive Director, Kathy Fagan; Tri-State Member Relations Senior Vice President, Jennifer Goss; Colorado Representative, Diane Mitsch Busch; John Svensk, Wholesale Sales Account Manager of Xcel Energy; Jim Sack, incoming Wholesale Sales Account Manager of Xcel Energy; and Operation Round Up Director, Rebecca Wattles. Mr. Brosious also welcomed Sam Haslem, former YVEA board member. Mr. Brosious also recognized former YVEA employees: Doug Warner, Billy Greenwood, Lois Stoffle, Neil Forsyth, and Burt Clements.

Ms. Larissa Wilson read the Affidavit of Mailing the Notice of the Annual Meeting and the Proof of Publication.

Members then recited the Pledge of Allegiance.

Next, the invocation was given by Pastor Troy Lewis of Steamboat Christian Center in Steamboat Springs, Colorado.

The podium was turned over to Ms. Johnson who welcomed members and guests. Ms. Johnson then introduced Ms. Jennifer Goss, SVP of Member Relations at Tri-State Generations and Transmission. Ms. Goss thanked the board for their commitment to the Association. Ms. Goss then provided an overview of Tri-State's operations and summarized the current legal issue between the Office of Surface Mining and Wilearth Guardians, which involves Colowyo Mine, and noted that Colowyo Mine is in full compliance with all state and federal environmental regulations. Ms. Goss encouraged members and guests to participate in one of the public comment sessions offered during Office of Surface Mining's assessment of the Colowyo Mine. Ms. Goss also noted that Tri-State has dedicated full-time staff to support Office of Surface Mining information requests and will consider every option available to help keep Colowyo mine in operation.

Ms. Johnson then returned to the podium and explained the Operation Round Up program, formerly Caring Consumers. Ms. Johnson described how the program works and offered her thanks and appreciation to the Operation Round Up volunteer board members: Betty Grassby, Tom Fox, Rebecca Wattles, Kathy Powell, and Judy Jones. Ms. Johnson then thanked all members who currently participate in the program and encouraged all members to take part in the program.

Ms. Johnson introduced Ms. Kathy Fagan of the Senior Social Center of Craig, one of the recipients of funding from the Operation Round Up program. Ms. Fagan provided the audience with a background of the Senior Social Center of Craig and explained how the Center has utilized funding from the Operation Round Up program.

Mr. Brosious then gave candidates for Districts #1, 8, and 9 the opportunity to speak. Each candidate addressed the membership with their comments. Once the candidates finished speaking, Mr. Brosious returned to the podium and announced that all three districts ran unopposed, therefore each of the current district directors were deemed reelected.

In Director District #1, representing Baggs, Wyoming, Ms. Glynda Sheehan petitioned and ran unopposed and according to By-Laws of the Association was therefore declared reelected.

In Director District #8, representing Steamboat Springs, Colorado, Mr. Scott McGill petitioned and ran unopposed and according to By-Laws of the Association was therefore declared reelected.

In Director District #9, representing Yampa/Toponas/Bond, Colorado, Mr. Russ Garrity petitioned and ran unopposed and according to By-Laws of the Association was therefore declared reelected.

Mr. Brosious called on Ms. Wilson to present the Secretary's report. A motion was made, seconded and carried to dispense with the reading of the minutes from the 2014 meeting of the Members. Upon the motion being duly made and seconded, the following resolution was unanimously adopted:

RESOLVED that the minutes of the 2014 Annual Meeting of Members are approved.

Mr. Brosious called upon Ms. Amy Mahon to present the Treasurer's report. Ms. Mahon referred members to their copies of the Financial Report as of December 31, 2014 as presented in the Annual Report. The Balance Sheet and the Receipt and Expense Report were then reviewed. Ms. Mahon also presented the favorable audit opinion from the CPA audit firm of Schmidt and Company. Upon the motion being duly made and seconded the following resolution was unanimously adopted:

RESOLVED that the Treasurer's Report be accepted as presented.

Mr. Brosious thanked members for their participation. Mr. Brosious then presented his report as Chairman of the Board. Mr. Brosious summarized 2014 as a year of challenge and change. He noted the Association continues to fill out its management team that is dedicated to becoming a responsive, transparent and member-owner friendly organization.

Mr. Brosious also noted a 2014 accomplishment of the Association was the purchase of a portion of the former TIC campus that will serve as the new Association headquarters. The Association anticipates to begin the remodel process of the Craig facility in 2016, to bring that facility up to code standards. A 2016 review of all properties owned by the Association is also anticipated. The review will assess the value of the properties to the organization and determine whether they should be sold to offset the cost of the new headquarters.

Mr. Brosious discussed the regulations imposed by the Clean Air Act issued by the Environmental Protection Agency. The Association, Colorado Rural Electric Association, and the National Rural Electric Association are working with legislators to mitigate the impact of the new regulations on the local economy and future electric bills.

Finally, Mr. Brosious discussed the upgrades the Association has been making to the existing infrastructure of its transmission grid. These upgrades and future upgrades will increase reliability, portability, and quality of service to member-owners.

Mr. Brosious concluded his report by noting while there will be challenges ahead, member-owners can be assured the Association is financially sound and fiscally responsible.

Ms. Johnson then offered her report as General Manager. In 2014 the Association began the installation of the community solar garden, which was finished in 2015. The Association also worked with other Colorado cooperatives to implement Senate bill 252. The Association has substantially increased its community involvement. The Association has been working with public entities in Steamboat Springs to improve internet broadband in the area, and will continue to work with similar entities in Craig and the school district in Hayden to improve their fiber systems as well.

Ms. Johnson noted a five-year technology plan was implemented in 2014. Implementing programs such as advanced metering, and GIS and SCADA systems, will allow the Association to reduce costs and safety risks, and better serve its members.

Also in 2014, a solution was found to a long-standing problem with Craig water and wastewater facilities, ensuring these facilities will never be without power.

42,700 feet of underground primary cable, 6,300 feet of secondary cable, and 11.9 miles of overhead line were replaced in 2014. The Maybell Substation was also replaced. Ms. Johnson noted that all of these upgrades were designed to better serve members and they were completed with very reasonable rate increases. There were no large industry or commercial rate increases.

Finally, Ms. Johnson noted that while the electric industry is constantly evolving, the Association is confident that it will be able to serve its members through challenges for decades to come. Ms. Johnson then thanked staff, directors, and members for their hard work and dedication to the Association.

Ms. Johnson then introduced a slideshow highlighting the Association's past and present, and its commitment to leadership on a national and local level.

Door prize drawings were called for by Mr. Brosious. Ms. Kathy Bertrand and Ms. Tammi McKenzie presented the winning tickets with either gift card, or a \$25 or \$50 dollar bill-credit. One winner received a \$100 Visa gift card sponsored by Xcel Energy.

Mr. Brosious invited the members to a catered dinner in the school atrium down the hall from the Auditorium to be served after the close of the meeting.

Mr. Brosious then opened the meeting up to member questions. Mr. Sam Haslem noted that he served with the Association for twenty years with the old logo. Mr. Haslem added that he is very pleased to see the striking new logo and paint jobs on Association vehicles.

Mr. Brosious called for any unfinished business. There was none.

Mr. Brosious called for any new business. There was none.

Mr. Brosious announced the conclusion of the regular business meeting for June 25, 2015 and asked for any questions. There being no further business he asked for a motion to adjourn and upon motion being duly made, seconded and unanimously approved, the meeting adjourned at 7:18 p.m.

Secretary

APPROVED:

Chairman of the Board