

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, December 15, 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 December 15, 2016. Chairman Dean Brosious reconvened the recessed meeting of November 17, 2016. Upon calling roll, it was reported that the following Directors were present: Dean Brosious, Larry Ellgen, Pat McClelland, Frank Roitsch, Russell Garrity, Mike Brinks, Scott McGill, Tom Fox and Glynda Sheehan. Also present were General Counsel Tom Sharp and Bryson Fredregill, 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, Larry Ellgen, Pat McClelland, Frank Roitsch, Russell Garrity, Mike Brinks, Scott McGill, Tom Fox and Glynda Sheehan. Also present were General Counsel, Tom Sharp and Bryson Fredregill; General Manager, Diane Johnson; Operations Manager, Steve Johnson; Finance Manager, Amy Mahon, Board Secretary, Larissa Wilson; Human Resources Manager, Randi Owens; Member Services Manager, Kathy Bertrand; and guest, Journeyman Lineman, Rex Stafford.

2. 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, General Counsel, and Diane Johnson, General Manager, were in attendance during such executive session. Such executive session convened at approximately 10:00 a.m., and the board ended the executive session and returned to its public meeting session at approximately 11:30 a.m.

3. 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; General Counsel; Diane Johnson, General Manager; Larissa Wilson, Board Secretary; and guest, Journeyman Lineman Rex Stafford, were in attendance during such discussion. Such discussion convened at approximately 11:30 a.m., and the board ended the open discussion 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-owner comments.

6. Director Comments

Board members expressed their appreciation for the recent holiday party.

Mr. Fox noted the Community Housing Steering Committee has published its housing report. The report details the demographics of the housing shortage in the area.

Ms. Sheehan thanked Mr. Sharp for his many years of service and guidance.

Mr. Brosious and Ms. Johnson presented Mr. Sharp with a plaque commemorating Mr. Sharp's 25 years of service and dedication to the Association.

INFORMATION ITEMS

7. Staff Reports

A. Finance

There were no questions.

B. Operations

I. Safety

Mr. Roitsch expressed his concerns about the recent safety incident in Craig and inquired as to procedures put in place to prevent future incidents. Mr. Johnson explained the incident in which a boom truck came in contact with a power line, and explained subsequent discussions with crews and Operations staff. Mr. Johnson also noted that crews have implemented additional safety checks to ensure the safety of the crew and equipment.

Mr. Garrity added that board members would benefit from benchmarking data, as this information would be helpful in alerting the board to potential safety issues, and areas for improvement. Board members also discussed the benefits of hiring an outside consultant versus hiring fulltime staff to provide fresh ideas and new perspectives to the safety program and procedures currently in place.

Ms. Sheehan requested that Mr. Johnson contact the Baggs Emergency Medical Service to partner on safety activities in the Baggs community. Mr. Johnson noted that he will contact Baggs EMS.

II. Operations

Mr. Johnson noted that the community solar array has been tested and is ready to go live, pending the installation of one final piece of equipment.

Discussion was held around the format of the Staff Reports. Staff agreed to provide only new information in the reports for 2017.

III. Engineering

Mr. Garrity inquired as to who does ARC Flash training. Mr. Johnson explained that the training is handled internally, by Mr. Jason Hall and Mr.

Bill Barva. Mr. Johnson added that once Mr. Hall and Mr. Barva finish training staff on the basics, staff will bring in a new perspective.

IV. IT

Mr. Fox requested clarification on the upcoming multispeak upgrade scheduled with CRC and NISC. Mr. Johnson explained that the upgrade will give new features to after-hours dispatch.

C. Human Resources

Ms. Owens noted that one of the recipients of a Length of Service award is Member Services Manager, Ms. Kathy Bertrand. Ms. Bertrand has worked for the Association for 25 years in various capacities in the Member Services area of the Association.

D. Communications & PR

Mr. Fox noted that the Operation Round Up committee has two new board members, one is General Manager of the Craig Chamber of Commerce Board of Directors, Ms. Christina Oxley.

E. Member Relations

Ms. Bertrand noted that GRID Alternatives has received 43 applications for membership to the community solar array.

F. Facilities and Warehouse

Ms. Mahon noted a contractor has been selected to finish repairs to the Craig office, which recently suffered water damage.

8. AMI

There were no questions.

9. CREA

Mr. McGill provided a comprehensive update of the business conducted at the regular CREA board meeting.

10. Western United

Mr. McGill provided a comprehensive update of the business conducted at the regular Western United board meeting.

11. Capital Credits (Return on Equity), Continued Discussion

Ms. Mahon provided clarification around calculations presented in the presentation. Discussion was held around rate of return calculations and projections, and capital credit retirement dates.

Ms. Mahon will return with additional explanation of calculations and methodology, and key financial benchmarks, to assist in trending and forecasting analyses.

12. Director District Map

Mr. Sharp and Mr. Johnson presented the existing map of director districts to the board for discussion. Discussion was held regarding the boundaries of the director districts according to Association bylaws, the boundaries of the districts as filed with the Department of Regulatory Affairs, and any existing variances between the two sets of information.

Mr. Sharp recommended drafting a resolution amending the bylaws to correct the boundaries of District 6. Mr. Sharp also recommended creating a more accurate map that is available on the Association's website for all members to access.

A motion was made to prepare the bylaw change recommendation and post a revised map online, by Mr. Brosious, duly seconded by Mr. Fox, and the motion passed with a unanimous vote.

ACTION ITEMS

13. Approval of Write-off of Uncollectible Accounts

Discussion was held around the accounting for bankruptcies, and whether or not this amount should be included in the write-off of uncollectible accounts. The consensus was to request guidance from the currently contracted audit firm and proceed according to their recommendation.

Mr. Brosious recommended staff review uncollectible accounts and best practices with the audit firm. Ms. Mahon will review these items with the audit firm.

A motion approving the write-off of uncollectible accounts over 90 days, with the exception of bankruptcies, was made by Mr. Brosious, duly seconded by Mr. Fox, and the motion passed unanimously.

14. Resolution 16-04: Modification to Line of Credit

Ms. Mahon presented the resolution to modify the line of credit to the board for approval. The motion approving Resolution 16-04 as presented was made by Ms. Sheehan, duly seconded by Mr. McClelland, and the motion passed with a unanimous vote.

15. Acceptance of the Financial and Statistical Reports for November

Questions regarding line loss were addressed.

A motion accepting the financial and statistical reports for October was made by Mr. McClelland, duly seconded by Mr. Fox, and carried with a unanimous vote.

PENDING APPROVAL ITEMS

There were no Pending Approval Items.

OTHER ITEMS

16. Unfinished Business

A motion authorizing the General Manager to sign the collective bargaining contract upon receipt of the signed contract from the IBEW, was made by Mr. Fox, duly seconded by Mr. McGill, and the motion passed unanimously.

A motion authorizing the General Manager to sign the letter of intent with Calcon Constructors, based on the proposed budget, and in addition to sign the final contract with Calcon when it's completed, was made by Mr. Fox, duly seconded by Mr. McClelland, and the motion passed unanimously.

17. New Business

Mr. Brosious noted that various 2017 board meetings conflict with other various board and cooperative obligations. Discussion was held to come to agreement on the various dates which need to be rescheduled.

A motion to move the board meeting from February 28, to February 21; April 25 to April 18; December 26 to December 19; and to move the regular board meeting from June 27 to 22, and in combination with the Annual meeting, which will be held in Steamboat Springs, was made by Mr. Ellgen, duly seconded by Ms. Sheehan, and the motion passed with a unanimous vote.

18. Recess

A motion to recess this regular meeting of the directors of Yampa Valley Electric Association, Inc., until 10:00 am on Tuesday, January, 24, 2017 was made, duly

seconded, and passed unanimously. The Chairman then declared this regular meeting recessed at 3:37 p.m.

Chairman of the Board

Dated: January, 24, 2017

Secretary of the Board

Dated: January, 24, 2017