

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
Tuesday, February 21, 2017
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 February 21, 2017. Chairman Dean Brosious reconvened the recessed meeting of January 24, 2017. 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 Levi Williamson, 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, Levi Williamson; General Manager, Diane Johnson; Finance Manager, Amy Mahon, Board Secretary, Larissa Wilson; Human Resources Manager, Randi Owens; and Member Services Manager, Kathy Bertrand.

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

There was no Open Director Discussion.

4. 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.

5. Member-Owner Comments

There were no member-owners present.

6. Director Comments

Mr. McClelland extended his thanks to Ms. Johnson for arranging the recent meeting between board members, architects from Gensler, and representatives from I.E. Connect. The group met to tour both Gensler and I.E. Connect, and discuss the headquarters remodel.

Mr. Roitsch noted there is a new grow facility opening in Hayden on April 1, 2017. Eight full-time employees will operate the new facility, which will cultivate roughly 5,000 plants, and produce six harvests per year. The facility has discovered that by using new lighting technology, they anticipate being able to sustain the same operations using less energy.

INFORMATION ITEMS

7. Introduction of New Staff Report Format

Ms. Johnson presented the new staff report format to the board for discussion. Ms. Johnson explained that staff will now report on five areas of the company: Financial Stability, Customer Service, Workforce Planning, Operational Stability, and Safety. Ms. Johnson requested feedback from board members during each report, noting that modifications to the report format will be made upon board request.

8. Staff Reports

A. Financial Stability

The Financial Stability report format was discussed. Board members reviewed the report and provided their recommendations to staff.

Board members expressed their appreciation for the new format, and added that the change from tracking activities to tracking outcomes is positive. Board members requested that staff continue to enhance the Definitions section of the reports.

B. Customer Service

The Customer Service report format was discussed. Board members reviewed the report and provided their recommendations to staff.

C. Workforce Planning

The Workforce Planning report format was discussed. Board members reviewed the report and provided their recommendations to staff.

D. Operational Stability

The Operational Stability report format was discussed. Board members reviewed the report and provided their recommendations to staff.

Mr. McGill noted that representatives from both Gensler and I.E. Connect were impressed with staff's Request For Proposal format and vendor selection process.

E. Safety

The Safety report format was discussed. Board members reviewed the report and there were no suggested modifications to the Safety report.

Mr. Ellgen commended staff for creating the new report format.

9. CREA

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

Mr. McGill noted that various classes for directors will be held from August 28-30, 2017, in Vail, Colorado, at the Vail Marriott. Mr. McGill added that CFC is offering a free financial workshop for directors, and CREA is offering Crucial Conversations in the Boardroom, for a fee.

10. Western United

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

11. Director District Map, Continued Discussion

Ms. Johnson explained that legal discussion was held during Executive Session, and that discussion has lead to various action items. A motion permitting 1.) staff and General Counsel to research the boundary of Holy Cross Energy; 2.) the General Manager to contact White River Electric Association to discuss the meters the Association currently services in their territory; and 3.) General Counsel to draft a letter of agreement on these territories, as well as prepare bylaw amendments for board approval, was duly made, seconded and passed unanimously.

12. Increasing DG/IA Limits

This topic was tabled until the March regular board meeting.

ACTION ITEMS

13. Approval of Inventory of Materials

This item was disregarded.

14. Capital Credit Policy Recommendation

A motion to accept Resolution 17-01P as presented to the board was made by Mr. Brinks, duly seconded by Mr. McClelland, and the motion carried with a unanimous vote.

15. Acceptance of the Financial and Statistical Reports for December and January

Ms. Mahon requested the acceptance of the December and January financials be tabled until the March board meeting. Board members approved Ms. Mahon's request.

PENDING APPROVAL ITEMS

There were no Pending Approval Items.

OTHER ITEMS

16. Unfinished Business

There was no Unfinished Business.

17. New Business

Mr. Brosious announced that he will step down as Chairman of the Board at the end of this year's term. Board members discussed the timeline and process for the election of a new Chairman of the Board.

18. Recess

A motion to recess this regular meeting of the directors of Yampa Valley Electric Association, Inc., until 10:00 am on Tuesday, March 28, 2017 was made, duly seconded, and passed unanimously. The Chairman then declared this regular meeting recessed at 1:38 p.m.

Dated: March 28, 2017

Chairman of the Board

Dated: March 28, 2017

Secretary of the Board