

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, January 24, 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 January 24, 2017. Chairman Dean Brosious reconvened the recessed meeting of December 15, 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 Levi Williamson 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, Levi Williamson and Bryson Fredregill; General Manager, Diane Johnson; Operations Manager, Steve 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

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; Operations Manager, Steve Johnson; Finance Manager, Amy Mahon; Human Resources Manager, Randi Owens; and Member Services Manager, Kathy Bertrand, were in attendance during such discussion. Such discussion convened at approximately 11:30 a.m., and the board ended the open discussion at approximately 12:30 p.m.

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-owner comments.

6. Director Comments

Ms. Sheehan complimented Ms. Johnson and crews on battling icy and windy conditions in order to provide reliable service. Ms. Johnson noted that she will relay Ms. Sheehan's compliments to crews. Crews have had challenges with two recent outages that have been delivery point outages stemming from Xcel.

Mr. Brosious noted that he has received complaint calls from member-owners regarding the recent outages. Mr. Johnson agreed that the outages have been a challenge for both members and crews, as these outages stemmed from delivery points operated by Xcel. Mr. Johnson noted that staff continues to work with Xcel to improve reliability.

Mr. Brinks requested that staff resume their delivery of the weekly outage report. Mr. Johnson noted that staff will continue to send out the weekly report.

Member-owner, Tyler Goodman, joined the meeting.

INFORMATION ITEMS

7. Staff Reports

A. Finance

Ms. Mahon explained the Power Cost Adjustment (PCA) that was recorded in December's financials. Ms. Johnson added that Ms. Mahon faces the challenge of estimating the cost of power for the year and it is very important to stay close and not overstate cost to purchase power.

B. Operations

I. Safety

Mr. McGill noted that he has concern for the increase in near misses. Mr. Johnson explained that historically near misses were not discussed at the board level. Ms. Johnson added that zero OSHA recordables is a great accomplishment. Staff has spent time discussing how to recognize issues before they become incidents or accidents. The results of increased tracking should be reported near misses increasing and accidents decreasing. Crews continue to train and outfit Association vehicles appropriately. Mr. Johnson noted that crews have increased layers in field procedures, and as a result, field accidents have decreased.

II. Operations

Ms. Sheehan noted that crews have done a fabulous job maintaining infrastructure in icy, windy conditions and quickly changing temperatures. Mr. Roitsch extended his compliments to Mr. Johnson on getting the radio system up-to-date.

III. Engineering

There were no questions.

IV. IT

There were no questions.

C. Human Resources

Ms. Owens briefly explained the OSHA 300 form.

D. Member Services and Communications

Questions regarding net meter refunds were addressed.

E. Facilities and Warehouse

There were no questions.

8. AMI

Ms. Bertrand noted that 2017 AMI meter deployment is just beginning and the project is still on schedule.

9. CREA

Mr. McGill noted that the regular CREA board meeting is upcoming.

10. Western United

Mr. McGill noted that the regular Western United board meeting is upcoming.

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

There was no discussion. Ms. Mahon will present to the board a revised capital credits policy recommendation at the February board meeting.

12. Director District Map, Continued Discussion

Continued discussion was held regarding the boundaries of the director districts according to Association bylaws, the Association's certificated boundaries as filed with the PUC, and any existing variances between the two sets of information.

Ms. Johnson requested direction from board members regarding the next steps in addressing the variances between maps. The consensus among board members was that more research is needed in order to determine whether the discrepancies are issues.

Staff and legal counsel will continue their research in order to determine whether the discrepancies are issues. Staff will present a recommendation to the board at the February meeting.

ACTION ITEMS

13. Approval of Allocation of Funds for Deceased Members' Capital Credits

Each year the Association sets aside money so that it is able to finalize estates for deceased members. The board discussed the current process of distributing members' capital credits. Staff will research options that may be available for distributing the capital credits.

A motion approving the allocation of funds for deceased members' capital credits, was made by Mr. McGill, duly seconded by Mr. Ellgen, and the motion passed unanimously.

14. Acceptance of the Financial and Statistical Reports for December

Ms. Mahon noted that December's financials are preliminary and unaudited, and requested the acceptance of the December financials be tabled until the February board meeting.

A motion to table the acceptance of the financial and statistical reports for December was made by Mr. Ellgen, duly seconded by Mr. McClelland, and carried with a unanimous vote.

PENDING APPROVAL ITEMS

15. Resolution 17-01: Amendment to Bylaws

RESOLUTION APPROVING AMENDMENT TO BYLAWS

WHEREAS, the Board of Directors for Yampa Valley Electric Association, Inc. (“YVEA”) is empowered pursuant to Section 1 of Article XIV of the Bylaws of YVEA to alter or amend certain of such Bylaws by the affirmative vote of a majority of the Directors at any regular or special meeting of the Board of Directors, provided that the notice of such Board of Directors meeting shall have contained a copy of the proposed Bylaw alteration or amendment; and

WHEREAS, the Board of Directors of YVEA now desires to alter and amend certain provisions of the Bylaws as noted and stated below.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby alters and amends the Bylaws of YVEA as follows:

1. **DELETE** the following language in Article XVI of the Bylaws:

“District Six shall consist of that portion of Routt County, Colorado, north of Township 5 North, and south of Township 11 North, and east of Range 87 West of the 6th Principal Meridian and the City of Steamboat Springs, Colorado, but excepting from said area that portion of Township 6 North, Range 84 West of the 6th Principal Meridian lying south of the north line of Sections 31 through 36, inclusive, of Township 6 North, Range 84 West of the 6th Principal Meridian.”

2. **INSERT** the following language in Article XVI of the Bylaws in the same location within such Article XVI as was located the language deleted under Paragraph 1 above:

“District Six shall consist of that portion of Routt County, Colorado, located north of Township 5 North, and south of Township 11 North, and east of Range 87 West, all of the 6th P.M., but excepting and excluding from said portion that part of Township 6 North, Range 84 West, lying south of the north line of Sections 31 through 36, inclusive, of Township 6 North, Range 84 West, all of the 6th P.M., BUT plus and together with all of the City of Steamboat Springs, Colorado.”

A motion approving resolution 17-01 as presented to the board was made by Mr. McClelland, duly seconded by Mr. Ellgen, and the motion passed with a unanimous vote.

OTHER ITEMS

16. Unfinished Business

There was no Unfinished Business.

17. New Business

There was no New Business.

18. Recess

A motion to recess this regular meeting of the directors of Yampa Valley Electric Association, Inc., until 10:00 am on Tuesday, February 21, 2017 was made, duly seconded, and passed unanimously. The Chairman then declared this regular meeting recessed at 1:38 p.m.

Chairman of the Board

Dated: February 21, 2017

Secretary of the Board

Dated: February 21, 2017