

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, July 25, 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 July 25, 2017. Chairman Dean Brosious reconvened the recessed meeting of June 22, 2017. Upon calling roll, it was reported that the following Directors were present: Dean Brosious, Larry Ellgen, Pat McClelland, Frank Roitsch, Russell Garrity, Jean Stetson, 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 reopened, 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, Jean Stetson, Scott McGill, Tom Fox and Glynda Sheehan. Also present were General Counsel, Levi Williamson; General Manager, Diane Johnson; Finance Manager, Amy Mahon; Operations Manager, Steve Johnson; Member Services Manager, Kathy Bertrand; Human Resources Manager, Randi Owens; and Board Secretary, Larissa Wilson.

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 negotiations, personnel matters, contract negotiations, pending or threatened litigation, and consultations with special counsel. 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. A motion was made, duly seconded, and passed unanimously that the board of directors exit the executive session and return to open 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 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-owners present.

Ms. Bertrand introduced two new supervisors; Member Services Supervisor, Ms. Kelli Richers; and Member Outreach Supervisor, Mr. Jim Jennings. Ms. Johnson added that

both Ms. Richers and Mr. Jennings come to the Association highly skilled and excited to join the Association. Ms. Richers and Mr. Jennings each provided the board and staff with brief backgrounds of their expertise. Ms. Richers described the new receptionist position, filled by Ms. Kristi Bernitt. Ms. Sheehan inquired as to the number of bilingual Member Services employees. Ms. Richers explained that recruiting efforts have not returned a great response from qualified bilingual candidates.

6. Director Comments

Directors offered their sympathies following the passing of Mr. Mike Brinks.

Directors discussed the Member Appreciation Day event held on June 22, 2017, and offered their compliments to staff for a successful day of events.

Board members welcomed Ms. Jean Stetson, director for district 3. Mr. McGill added that Ms. Stetson's comments and input will always be welcomed by board members.

INFORMATION ITEMS

7. Staff Reports

A. Financial Stability

The Financial Stability report was discussed. Board members reviewed the report and provided their recommendations to staff. Ms. Mahon provided clarification for debt service coverage.

B. Customer Service

The Customer Service report was discussed. Board members reviewed the report and provided their recommendations to staff. Ms. Stetson inquired as to the increased number of Operation Round Up opt-outs for the month of June. Ms. Bertrand explained that members can opt-out at any time. Mr. Fox added that the program will only fund the most qualified applicants and it will retain a balance and use the funds only to donate to the most appropriate applicants.

C. Workforce Planning

The Workforce Planning report was discussed. Board members reviewed the report and provided their recommendations to staff. Ms. Stetson inquired as to whom the contact should be for Union questions. It was agreed upon that all questions or concerns related to Union business be directed to Ms. Johnson.

D. Operational Stability

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

E. Safety

The Safety report was discussed. Board members reviewed the report and provided their recommendations to staff. Ms. Owens noted that there were two OSHA recordable injuries during the month of June, which affect the severity incident rate as one injured employee is having surgery. This will also affect the DART Score. Both incidents were reviewed by the Association's Joint Safety Team and safety recommendations were given to staff. Ms. Owens added that the Joint Safety Team launched a near miss campaign at June's all employee meeting. Staff is encouraged to report near misses, which may result in higher near miss numbers on future reports.

8. CREA

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

Ms. Johnson provided a comprehensive update of the business conducted at the regular CREA manager's meeting.

9. Western United

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

ACTION ITEMS

10. Election of Officers

This item was moved after Item 15. New Business.

11. Approval of Rate Changes for New Construction (OP203)

The proposed Rules and Regulations Information supporting Operating Procedure 203 was posted for public objection per regulatory requirements, and in light of no feedback from members after posting, the updated Operating Procedure 203 and rate structure were presented to the board for final approval. Mr. Fox noted that an additional footnote should be added to address difficult excavation. Mr. McGill suggested that the definition of "well or water meter" should be clarified. Discussion was held regarding the difference between temporary and permanent service. It was agreed upon that the language would be changed to reflect a water system, sewer system, septic system, or foundation.

A motion accepting the Rules and Regulations Information supporting Operating Procedure 203 as amended and Sheet 101 with the amended footnote as discussed was made by Mr. Fox, seconded by Mr. Roitsch, and carried with a unanimous vote.

12. Acceptance of the Financial and Statistical Reports for June

Ms. Mahon presented financial highlights from the month of June to the board for approval. Mr. Fox requested that Ms. Mahon discuss in detail the financial reports with Ms. Stetson at a later date. Ms. Sheehan requested that Ms. Bertrand research the dollar amount saved by the Association on annual meeting costs after staff reconciled ballots per account. A motion accepting financial and statistical reports for June was made by Ms. Sheehan, seconded by Mr. McClelland, and carried with a unanimous vote.

Ms. Mahon presented the 2017 Audit Engagement agreement to the board for approval. Ms. Mahon noted this will be the third year utilizing the audit firm of Bolinger, Segars, Gilbert, & Moss, LLP. Should the board agree upon a fourth year, a new partner from the firm will be assigned to work with the Association. A motion approving the 2017 Audit Engagement agreement was made by Mr. Ellgen, duly seconded by Mr. McClelland, and the motion passed with a unanimous vote.

PENDING APPROVAL ITEMS

13. Reinstatement of the Retirement Security Plan and 401k Plan

Ms. Owens presented the restated Retirement Security Plan and 401k Plan for reinstatement. Ms. Owens explained that coverage administered by NRECA is not interrupted, the changes to the plans are formatting changes. NRECA is required to review their plans and verify that they are compliant. They are not changing rates. A motion approving the reinstatement of the restated Retirement Security Plan and 401k Plan was made by Mr. Ellgen, duly seconded by Mr. McGill, and the motion passed unanimously.

OTHER ITEMS

14. Unfinished Business

Ms. Johnson presented a request from Moffat County Commissioner, Mr. Ray Beck. Commissioner Beck has requested that the board consider displaying a large piece of

mining memorabilia at the Craig Campus as a marker of the history of Craig as it relates to coal. Discussion was held regarding the safety and maintenance of the area that would contain the large piece of memorabilia.

A motion authorizing the General Manager to execute an extension on a pending real estate transaction as discussed in Executive Session, was made by Mr. McClelland, duly seconded by Mr. McGill, and the motion passed with a unanimous vote.

Board members and staff discussed a request from Peabody Energy to receive additional detail of allocations and distributions allocated from their capital credits to recover funds owed to the Association. Ms. Johnson provided clarification on the contracts with Peabody Energy.

15. New Business

There was no New Business.

Mr. Brosious opened the floor to self-nominations for Board Chair and Vice Chair. Mr. Tom Fox nominated himself for Board Chair. Mr. Larry Ellgen nominated himself for Vice Chair. There being no other self-nominations, Mr. Brosious requested a motion be made to elect the current slate of officers: Mr. Tom Fox, Board Chair; Mr. Larry Ellgen, Vice Chair; Ms. Diane Johnson, President; Ms. Amy Mahon, Treasurer; Ms. Larissa Wilson, Secretary; and including Mr. Steve Johnson as Vice President. The motion was made by Mr. McClelland, duly seconded by Mr. McGill, and the motion passed by acclamation.

Board members and staff expressed their gratitude toward Mr. Brosious for his many years served as Board Chair.

16. Recess

A motion to recess this regular meeting of the directors of Yampa Valley Electric Association, Inc., until 10:00 am on Tuesday, August 22, 2017 was made, duly seconded, and passed unanimously. The Chairman then declared this regular meeting recessed at 3:00 p.m.

Chairman of the Board

Dated: August 22, 2017

Secretary of the Board

Dated: August 22, 2017