

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, August 22, 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 August 22, 2017.

Chairman Dean Brosious reconvened the recessed meeting of July 25, 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 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, Jean Stetson, Scott McGill, Tom Fox and Glynda Sheehan. Also present were General Counsel, Levi Williamson; General Manager, Diane Johnson; Finance Manager, Amy Mahon; 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

Ms. Johnson presented to the board an overview of the corporate structure design that is represented in the two offices: Steamboat Springs, and Craig. Ms. Johnson noted that, rather than look at positions, the overview focuses on what tasks have to get accomplished at each service location and at the central office. Each location will have the same furnishings and design concepts. Board members agreed that staff is permitted to continue developing this concept.

Board members discussed information security, and options for electronic communications.

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

Ms. Sheehan inquired as to the best way for members with concerns to approach the Association. Ms. Johnson suggested that the member write down their issue and email or mail a letter to the board, or to Ms. Johnson. Ms. Johnson added that staff often encourages members with recurring issues to come to the monthly board meeting. Mr. Fox noted that directors should inform members that they are welcome to come to monthly board meetings, but they should know that the board may not act on their issue during the board meeting. They may need to follow up on the issue, or they may need more information.

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 dig-in revenue.

B. Customer Service

The Customer Service report was discussed. Board members reviewed the report and provided their recommendations to staff. Ms. Sheehan requested an update on the recent scam alert announced by the Association. Ms. Bertrand explained that there were several different scams, stating members would be disconnected for non-pay. The Association notified police and calls quickly diminished. Ms. Sheehan requested statistics of the nature of the calls received by Member Services. Ms. Bertrand explained that the Receptionist will be able to develop trends, and once enough information is compiled, the information will be presented to board members.

Staff and board members discussed a member complaint regarding credit card payment for invoices. Currently, the Association does not take credit card payment for an invoice. Staff will research the history of this decision and discuss possible changes to the process.

C. Workforce Planning

The Workforce Planning report was discussed. Board members reviewed the report and provided their recommendations to staff. Ms. Sheehan inquired as to the number of positions filled in July. Ms. Owens explained that a seasonal laborer, member outreach supervisor, receptionist, and two general foreman positions were filled in the month of July.

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. Ms. Stetson inquired as to the possibility of an insurance adjustment for cooperatives employing less than one hundred employees. Ms. Johnson confirmed that Federated, the Association's insurance carrier, does apply metrics to the cooperative in order to provide appropriate coverage.

8. CREA

Mr. McGill noted there was no regular CREA board meeting last month.

9. Western United

Mr. McGill noted there was no regular Western United board meeting last month.

Mr. Fox asked Mr. McGill if he is interested in continuing on each of these boards and Mr. McGill responded yes, he would like to continue serving on each board. Mr. Roitsch offered his thanks to Mr. McGill for continuing to serve on each board. Mr. Fox then asked Mr. Garrity if he would be interested in retaining the alternate designation for these boards. Mr. Garrity responded yes, and he would like to attend a future meeting with Mr. McGill.

10. RMEL

Ms. Johnson provided a comprehensive update of the business conducted at the regular RMEL board meeting.

ACTION ITEMS

11. Approval of IRU Between NCB and YVEA

Mr. Fox referred board members to the memo from Attorney Mr. Tom Sharp regarding due diligence completed and recommendation of approval of the Indefeasible Right of Use Agreement (IRU) between NCB and YVEA. Ms. Johnson offered an overview of the history leading to the IRU between NCB and YVEA.

Ms. Stetson inquired as to the YVEA representative who sits on the board? Ms. Johnson noted that due to the very technical nature of the position, Ms. Johnson is the board member who represents YVEA.

A motion authorizing the General Manager to sign the IRU between NCB and YVEA was made by Mr. McGill, seconded by Mr. McClelland, and carried with a unanimous vote.

12. Acceptance of the Financial and Statistical Reports for July

Ms. Mahon presented financial highlights from the month of July to the board for approval. A motion accepting financial and statistical reports for July was made by Mr. Brosious, seconded by Mr. Ellgen, and carried with a unanimous vote.

PENDING APPROVAL ITEMS

13. Updating Net Metering Rates

Ms. Johnson provided an explanation of net metering, the Association's current net metering rate structure, and why staff is seeking a change to the current net metering rates. Board members and staff discussed different scenarios for modifying the current rate structure and tariff associated with net metering.

Mr. Fox requested that staff draft more than one scenario for updating net metering rates. Ms. Johnson noted that staff will bring to the September regular board meeting a revised tariff and two or three scenarios for board approval.

OTHER ITEMS

14. Unfinished Business

Board members and staff presented Mr. Brosious with a commemorative sculpture to recognize his years of service to the board as Chairman. Board members and staff expressed their gratitude toward Mr. Brosious for his many years served as Board Chair.

15. New Business

Ms. Johnson referred board members to an email that discussed rate changes for new construction. Ms. Johnson noted that it was previously agreed upon to eliminate the credit for new service, however Wyoming PSC is comfortable with the existing credit for new construction. Staff will look at growth rate data and decide if new construction costs are being recovered, and may bring a revised credit amount to the board for approval in the future.

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 2:45 p.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 3:00 p.m.

16. Recess

A motion to recess this regular meeting of the directors of Yampa Valley Electric Association, Inc., until 9:00 am on Tuesday, September 26, 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: September 26, 2017

Secretary of the Board

Dated: September 26, 2017