

YAMPA VALLEY ELECTRIC ASSOCIATION, INC.  
ANNUAL MEETING OF MEMBERS

The Annual Meeting of Members of Yampa Valley Electric Association, Inc. hereinafter called the "Association" was held at the Hayden High School Auditorium in Hayden, Colorado at 6:00 p.m. on Thursday, June 23, 2016.

Mr. Dean Brosious, Chairman of the Board, called the meeting to order and announced that 52 members were registered, which constituted a quorum for the transaction of all business.

Mr. Brosious introduced the Board of Directors (Mr. Pat McClelland absent); Mr. Tom Sharp, the Association's attorney; and General Manager, Ms. Diane Johnson. Mr. Sharp was appointed as parliamentarian for the meeting.

Mr. Brosious introduced special guests: Former YVEA employees, Bill Greenwood and Burt Clements; from CREA, Mr. Kent Singer; spouse of former board member Sam Haslem, Ms. Louise Haslem; from United Power, Mr. Brian McCormick; from Xcel Energy, Mr. Jim Sack and Mr. Jeff Kline; from CFC, Mr. Chip Marks; former State Senator, Mr. Jack Taylor; current State Representative, Ms. Diane Mitsch Bush; candidate for State Representative, Mr. Mike Casioppo.

Ms. Larissa Wilson read the Affidavit of Mailing the Notice of the Annual Meeting and the Proof of Publication.

Members then recited the Pledge of Allegiance.

Next, the invocation was given by Pastor Doug Zirkel, from Mission of Grace Baptist Church in Hayden, Colorado.

The podium was returned back to the Chairman who then announced the members of the Teller Committee, Ms. Kathy Bertrand, Ms. Emily Meek, and Ms. Megan Moore-Kemp. Mr. Brosious offered each of the candidates the option to assign a representative to observe the counting of the ballots. No candidate assigned a representative to observe the counting of the ballots. The Teller Committee left the meeting to begin the counting of the ballots.

The podium was turned over to Ms. Johnson who welcomed members and guests. Ms. Johnson then explained the Operation Round Up program, formerly Caring Consumers. Ms. Johnson described how the program works and introduced one of the 2015 grant recipients, Freedom Hooves Therapeutic Riding of Northwest Colorado. Ms. Joan Heinz from Freedom Hooves then took the podium.

Ms. Heinz offered her thanks and appreciation to the Operation Round Up program, and presented a slideshow that provided an overview of the different programs offered at Freedom Hooves Therapeutic Riding of Northwest Colorado.

Mr. Brosious then gave candidates from districts 4, 5, and 7 the opportunity to speak. Candidates addressed the membership with their comments. Mr. Tom Fox addressed the membership on behalf of Mr. Pat McClelland, who was absent.

Mr. Brosious called for all ballots to be collected from the audience to be combined with those returned by mail. Mr. Brosious declared the election process as closed.

Mr. Brosious called on Ms. Wilson to present the Secretary's report. A motion was made, seconded and carried to dispense with the reading of the minutes from the 2015 meeting of the Members. Upon the motion being duly made and seconded, the following resolution was unanimously adopted:

RESOLVED that the minutes of the 2015 Annual Meeting of Members  
are approved.

Mr. Brosious called upon Ms. Amy Mahon to present the Treasurer's report. Ms. Mahon referred members to their copies of the Financial Report as of December 31, 2015 as presented in the Annual Report. The Balance Sheet and the Receipt and Expense Report were then reviewed. Ms. Mahon also presented the favorable audit opinion from the CPA audit firm of Schmidt and Company.

Mr. Brosious thanked members for their participation. Mr. Brosious then presented his report as Chairman of the Board. Mr. Brosious summarized 2015 as a year of challenge and change. He noted the Association completed its move to the former TIC campus that will serve as the new Association headquarters. The Association anticipates to begin the remodel process of the Craig facility in 2016, to bring that facility up to code standards.

Mr. Brosious discussed the final Clean Power Plan standards released by the Environmental Protection Agency. Mr. Brosious noted that the goal of the Association is to have 30% of its power coming from renewable energy by 2020. To help reach that goal, the Association partnered with Clean Energy Collective to build the first solar garden in Association territory. The Association also entered into a Purchase Power Agreement with the Upper Yampa River Conservancy District to purchase all of the power output from Stagecoach Reservoir. In addition, the Association signed an agreement with GRID Alternatives Colorado and Clean Energy Colorado to construct a community solar array on the Steamboat Springs campus.

Finally, Mr. Brosious discussed the upgrades the Association has been making to the existing infrastructure of its transmission grid. Upgrades including Advanced Metering Infrastructure, and future upgrades will increase reliability, affordability, and quality of service to member-owners.

Mr. Brosious concluded his report by noting while there will be challenges ahead, member-owners can be assured the Association is financially sound and fiscally responsible.

Ms. Johnson then offered her report as General Manager. Ms. Johnson noted the utility industry is changing quickly, and the focus for utilities is transitioning from being a commodity provider to becoming a service provider. The value for members is becoming more focused on speed, price, ease of doing business, the ability to business electronically, and the ability to see their usage data in real time. Being able to meet these needs for members is paramount.

Ms. Johnson described the challenges and strategic success factors that she and staff face when providing reliable and fiscally responsible service to members. Ms. Johnson noted that by implementing programs such as advanced metering, GIS, and SCADA, and by being fiscally responsible, the Association is able to currently maintain the lowest rates among Colorado cooperatives. Embracing change and remaining nimble in a fast-changing industry is critical to success.

Ms. Johnson concluded her report by noting the commitment by staff and crews is unwavering. The history of the Association is visible in its members, its staff, and its board. Ms. Johnson thanked members for their participation and added that it is a pleasure and honor to serve the Association.

Ms. Johnson then introduced the door prize drawings. Ms. Wilson, Ms. Mahon, Ms. Cathy Mousley, and Ms. Tammi Strickland presented the winning tickets with either a gift, a gift card, or a \$25 or \$50 dollar bill-credit. One winner received a \$100 Visa gift card sponsored by Xcel Energy.

Mr. Brosious then introduced a slideshow highlighting the Association's history as well as a brief review of 2015 accomplishments.

Following the slideshow, Mr. Brosious called for any unfinished business. Questions regarding budget billing and Advanced Metering Infrastructure were addressed.

Mr. Brosious called for a motion to accept the Treasurer's Report as presented. Upon the motion being duly made and seconded the following resolution was unanimously adopted:

RESOLVED that the Treasurer's Report be accepted as presented.

Mr. Brosious called for any new business.

Questions regarding general operations were addressed.

Members expressed their views regarding cultural differences in different regions of Association territory. Members also inquired as to the status of union negotiations.

A brief recess was declared by Mr. Brosious. Upon reconvening at approximately 8:15 p.m., Mr. Brosious again announced a brief recess until approximately 8:30 p.m. At approximately 8:30 p.m., Mr. Brosious reconvened the meeting to announce the results of the director district elections for districts 4, 5, and 7, as submitted by the Teller Committee.

Mr. Brosious reported that three petitions were received for the position in Director District 5, representing the City of Hayden. Incumbent, Mr. Frank Roitsch, received 924 votes, Ms. Sharon Nereson received 844 votes, and Mr. Arlo Lott Jr. received 454 votes, therefore Mr. Frank Roitsch was declared elected for the Director District 5 position.

Mr. Brosious reported that two petitions were received for the position in Director District 7, representing Steamboat Springs. Incumbent, Mr. Pat McClelland, received 1292 votes, and Mr. Jeff Troeger received 1051 votes, therefore Mr. Pat McClelland was declared elected for the Director District 7 position.

In Director District 4, representing Elk Springs, Mr. Dean Brosious petitioned and ran unopposed and according to By-Laws of the Association was therefore declared reelected.

Mr. Brosious invited the members to a catered dinner in the school atrium down the hall from the Auditorium to be served after the close of the meeting.

Mr. Brosious announced the conclusion of the regular business meeting for June 23, 2016 and asked for any questions. There being no further business he asked for a motion to adjourn and upon motion being duly made, seconded and unanimously approved, the meeting adjourned at 8:48 p.m.

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Secretary

APPROVED:

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Chairman of the Board