

Yampa Valley Electric Association, Inc.
Regular Meeting of Board of Directors
Wednesday, February 21, 2018
2211 Elk River Road
Steamboat Springs, Colorado

The Board of Directors of Yampa Valley Electric Association, Inc., convened at 2211 Elk River Road, Steamboat Springs, Colorado at 10:00 a.m. on February 21, 2018. Chairman Tom Fox called the meeting to order at 10:00 a.m. Upon calling roll, it was reported that the following directors were present: Tom Fox, Dean Brosious, Larry Ellgen, Pat McClelland, Frank Roitsch, Russell Garrity, Glynda Sheehan, Scott McGill, and Jean Stetson. Also present were General Counsel Bryson Fredregill, and General Manager, Diane Johnson

1. Call to Order

Upon calling roll, it was reported that the following directors were present: Tom Fox, Dean Brosious, Larry Ellgen, Pat McClelland, Frank Roitsch, Russell Garrity, Glynda Sheehan, Scott McGill, and Jean Stetson. Also present were General Counsel, Bryson Fredregill; General Manager, Diane Johnson; Finance Manager, Amy Mahon; Member Services Manager, Kathy Bertrand; Human Resources Manager, Randi Owens; Board Secretary, Larissa Rock; Member-owners Michael Sidinger, Patricia Rada-Sidinger; and Hayden Town Manager, Mathew Mendisco, also present.

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, General Manager, and guests, Ms. Laura Laffoon, and Mr. Stuart Thomas 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 1:00 p.m.

3. Approval of Minutes

A motion approving the minutes from January 17, 2018, was made, duly seconded, and passed unanimously.

4. Member-Owner Comments

Member-owner Mr. Michael Sidinger addressed the board. Mr. Sidinger expressed his concerns about AMI meters and his wishes to not pay the \$60 manual meter read fee assessed annually for opting-out of the AMI program. Mr. Sidinger noted that he and Ms. Rada-Sidinger have continued to make current payments for their energy usage but will not pay the \$60 annual fee.

Ms. Patricia Rada-Sidinger addressed the board. Ms. Rada-Sidinger echoed Mr. Sidinger’s concerns and expressed her wishes to not be assessed the \$60 annual manual meter read fee. Ms. Rada-Sidinger added that she feels that the annual fee charged to member-owners opting out of the AMI program is discriminatory. Ms. Rada-Sidinger requested that the board consider alternative solutions such as lowering the fee. Ms.

Rada-Sidinger noted that she and Mr. Sidinger have been receiving delinquency notices and they are concerned their power will be shut off due to non-payment of the \$60 annual manual meter read fee.

Mr. Fox thanked Mr. Sidinger and Ms. Rada-Sidinger for approaching the board with their concerns. Mr. Fox noted that the board does not debate member-owner comments during board meetings. Mr. Fox added that YVEA does not discriminate between customers and noted as an example that member-owners in Baggs, Wyoming opting-out of the AMI program are assessed an identical \$60 annual manual meter read fee to member-owners living near YVEA.

Ms. Johnson assured Mr. Sidinger and Ms. Rada-Sidinger that during this time, while the board is in discussion about what happens next, the system will generate a disconnect notice, however, Mr. Sidinger and Ms. Rada-Sidinger will not be disconnected. Once the board comes to agreement, Mr. Sidinger and Ms. Rada-Sidinger will receive a written notice and would not have power cut off without notice.

Mr. Sidinger and Ms. Rada-Sidinger left the meeting.

Ms. Johnson informed board members about a recent situation where two different members thought YVEA employees were on their land, but in each case, there were no employees on the members' land. Ms. Johnson added that one of the benefits of AMI meters is that, under normal circumstances, no one needs to come onto the member's property.

Board members and staff discussed the AMI opt-out annual fee. Ms. Johnson noted that staff will work with legal counsel to draft a response to Mr. Sidinger and Ms. Rada-Sidinger. Ms. Johnson clarified for board members the differences between analog and AMI meters and noted that as analog meters expire, they will be replaced with either digital or AMI meters, adding that digital meters will need to be manually read. A motion requiring Mr. Sidinger and Ms. Rada-Sidinger to pay the \$60 annual manual meter read fee and directing staff and legal counsel to draft a letter so indicating, was made by Mrs. Stetson, duly seconded by Mr. McClelland, and the motion carried with a unanimous vote.

Mr. Benj Hoffner joined the meeting.

5. Director Comments

Mr. Brosious requested that board members request permission from the Chairperson when they wish to comment.

6. Town of Hayden, Economic Update

Mr. Mathew Mendisco, Hayden Town Manager presented to board members an economic update from Town of Hayden. Mr. Mendisco highlighted results of a survey conducted in 2017 and summarized the Town's visions and goals for its future.

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. Johnson noted the 2017 financial audit will be presented for board approval at the March meeting. Board members agreed to speak with the auditors via conference call the day prior to the board meeting, to discuss the audit in depth and answer any questions board members may have regarding the audit.

B. Customer Service

The Customer Service report was discussed. Board members reviewed the report and provided their recommendations to staff. Ms. Bertrand clarified for board members the number of truck rolls and estimated savings resulting from AMI implementation to date. Board members discussed electronic vehicles and Ms. Johnson described her experiences with electric vehicle charging stations in the area and across Colorado.

C. Workforce Planning

The Workforce Planning report was discussed. Board members reviewed the report and provided their recommendations to staff. Ms. Owens summarized the current positions open and the positions filled in January.

D. Operational Stability

The Operational Stability report was discussed. Board members reviewed the report and provided their recommendations to staff. Ms. Johnson noted that Mr. Johnson will present the 2017 Reliability Report during the regular monthly board meeting in March.

E. Safety

The Safety report was discussed. Board members reviewed the report and provided their recommendations to staff. Ms. Stetson noted that the CREA annual meeting was interesting and informative, and she would like the opportunity to discuss various safety initiatives that were covered at the meeting. Ms. Owens provided updates on the status of YVEA's implementation of many the various safety initiatives CREA referenced during its annual meeting, including OSHA Training, tailgate software, and the RESAP program.

8. CREA

Mr. McGill noted that he had previously distributed his CREA meeting notes to board members via email.

9. Western United

There was no Western United report.

10. RMEL

There was no RMEL report.

COMMITTEE REPORTS

11. Policy Committee

Board members discussed processes and procedures for reviewing and amending board policies. Mr. Fredregill gave examples of procedures that other cooperatives follow for amending and reviewing policies. Board members discussed who should attend the committee meetings as well as the process for review prior to board approval.

A motion to include the General Manager or the General Manager's designee in all board committees and committee meetings was made by Mr. Brosious, and duly seconded by Mr. McClelland. Mr. Fox opened the floor for discussion. Board members discussed the current process as well as a process for regular policy review. Consideration was given to

reviewing all policies regularly, and a process that would automate a renewal notice. Board members heavily debated when to engage the General Manager and legal counsel in the process of reviewing, redlining, and recommending amending policies. A vote was taken, and the motion passed with Mr. McGill opposed.

Ms. Stetson noted she has questions regarding many of the redlined policies and would like to know when they will be addressed. Mr. Fox confirmed that questions regarding the redlined policies will be addressed during March's meeting, giving all board members and legal counsel the opportunity to review the redlined policies.

ACTION ITEMS

12. Acceptance of the Preliminary Financial and Statistical Reports for January 2018

Ms. Mahon presented preliminary and unaudited financial highlights from the month of January to the board and noted that the financials will not complete for acceptance until the audit is finished. There was no vote. Board members discussed revenue comparisons from 2017. Mr. Garrity suggested that board members be conscious of flat trending and projection data.

13. Approval of Resolution 18-01: Change of July 2018 Meeting Date

At the January 17, 2018 regular meeting of the Board of Directors, the Board was presented with Resolution 18-01 changing the date of the July 2018 regular meeting. Board members agreed to move the July 2018 meeting date from July 18, to July 26, 2018. A motion to adopt Resolution 18-01 was made by Mr. Ellgen, duly seconded by Mr. McClelland, and the motion passed unanimously.

14. Property Transactions

There were no Property Transaction items.

PENDING APPROVAL ITEMS

There were no Pending Approval Items.

OTHER ITEMS

15. Unfinished Business

Ms. Johnson summarized the proposed Craig service center building and staffing plan for board discussion, review, and possible approval if the board would like staff to proceed. Questions regarding timing for construction and anticipated cost of construction were addressed. Ms. Johnson noted that staff will ask for approval of the proposed building and staffing plan during the regular board meeting in March.

16. New Business

Ms. Johnson presented a request for donation from Craig Memorial Regional Health to the board. Ms. Johnson noted that considering the significance of dollars and political nature of the request, it felt appropriate to bring this donation request to the board. Board members discussed the request in detail, as well as the history of donations made to area institutions for comparison.

A motion approving a donation of \$10,000, to be paid in equal amounts over three years, to Craig Memorial Regional Health was made by Mr. McClelland, duly seconded by Mr. Brosious, and the motion carried with Mr. McGill abstaining from the vote.

17. Finance Committee

Ms. Stetson noted that the Finance Committee had anticipated meeting prior to the board meeting, but they were not able to meet. The Finance Committee will review the 2017 audit on March 20, via a conference call with the auditors, and present their recommendation for approval of the audit at the March meeting. Ms. Stetson added that all board members are welcome to attend the call.

Board members discussed the start time of the regular monthly board meeting, and the tentative schedule for the next two months.

18. Adjournment

A motion to adjourn this regular meeting of the directors of Yampa Valley Electric Association, Inc., was made, duly seconded, and passed unanimously. The Chairman then declared this regular meeting adjourned at 4:50 p.m.

Chairman of the Board

Dated: March 21, 2018

Secretary of the Board

Dated: March 21, 2018