

**Yampa Valley Electric Association, Inc.**  
Regular Meeting of Board of Directors  
Wednesday, April 18, 2018  
2211 Elk River Road  
Steamboat Springs, Colorado

Chairman Tom Fox called the meeting to order at 9:00 a.m.

**1. Call to Order**

Upon calling roll, it was reported that the following directors were present: Tom Fox, Dean Brosious, Pat McClelland, Larry Ellgen, Frank Roitsch, Glynda Sheehan, Scott McGill, and Jean Stetson. Also present were General Counsel, Bryson Fredregill; General Manager, Steve Johnson; Engineering Manager, Benj Hoffner; Finance Manager, Amy Mahon; IT Manager, Kelli Root; Member Services Manager, Kathy Bertrand; Human Resources Manager, Randi Owens; Board Secretary, Larissa Rock.

**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 personnel matters, contract negotiations, and consultations with counsel. Board members present at the meeting were in attendance during such executive session. General Counsel, General Manager, Benj Hoffner, John Cromer, Randi Owens, Emily Meek, Amy Mahon, Kelli Richers, Kelli Root, Kathy Bertrand, Jim Jennings, and Larissa Rock were in attendance during portions of such executive session. Also present during portions of such executive session were guests Ms. Laura Laffoon and Mr. Stuart Thomas of Arrow Performance Group. Such executive session convened at approximately 9:00 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**

The minutes from the March 20, 2018 Special Meeting of the board of directors were presented and amended. A motion approving the minutes as amended was made, duly seconded, and passed with Mr. McGill and Mr. McClelland abstaining from the vote.

A motion approving the minutes from March 21, 2018 as presented, was made, duly seconded, and passed unanimously.

**4. Member-Owner Comments**

There were no Member-owners present. Mr. Fox noted that should a member arrive, the board will revisit this item and allow the member the opportunity to address the board.

**5. Director Comments**

Board members discussed the NRECA Directors conference held in March. Board members discussed establishing an archive of materials received from various conferences and classes attended throughout the years.

Mr. Brosious provided an overview of the director election process. Mr. Johnson added that staff is able to map the addresses of members wishing to run for director election

using GIS technology to precisely locate the district in which the member is eligible to run for a seat on the board.

Mr. Roitsch noted that an energy company in the US has announced plans to build a 350-megawatt solar and possibly a 350-megawatt battery storage system.

Board members recognized that April 9 was Lineman Appreciation Day and offered their appreciation to the line crew. Ms. Stetson added that Moffat County adopted a resolution to recognize the day.

## **INFORMATION ITEMS**

### **6. Staff Reports**

Board members discussed the format and content of the staff reports. Mr. Johnson requested that board members email Ms. Rock with any specific items or benchmarks they would like to see in future reports.

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

The Customer Service report was discussed. Ms. Bertrand clarified for board members the status of the AMI project, noting that it is currently 83% complete and on schedule for completion by October 2018.

The Workforce Planning report was discussed. Ms. Owens summarized the current positions open and the positions filled in March.

The Operational Stability report was discussed. There were no questions.

The Safety report was discussed. Ms. Owens summarized two accidents that were reported in March and noted that the Joint Safety Team has reviewed the accident reports and has offered recommendations to help prevent similar accidents in the future.

### **7. CREA**

Mr. McGill noted that he did not attend the CREA meeting that was held in March as the schedule conflicted with the NRECA Directors Conference. Board members discussed and agreed that an alternate attendee will not be designated for CREA meetings in the event that Mr. McGill is unable to attend. Mr. McGill noted that he had previously distributed his CREA meeting notes to board members via email.

### **8. Western United**

Mr. McGill noted that there was no Western United meeting.

### **9. RMEL**

There was no RMEL report.

## **ACTION ITEMS**

### **10. Acceptance of the Financial and Statistical Reports for the Month of March**

Ms. Mahon presented financial highlights from the month of March to the board. A motion accepting financial and statistical reports for March was made by Ms. Stetson, duly seconded by Ms. Sheehan, and carried with a unanimous vote.

### **11. Approval of Allocation of Capital Credits**

Ms. Mahon presented capital credit retirement and allocation information. Questions and discussion followed. Consideration was given to the Association's current financial position and forecasting of potential future financial fluctuations.

A motion approving capital credit allocation in the amount of \$2,889,952.86 from the 2017 margins, and capital credit retirement in the amount of \$1,155,981.06 or 40% of unretired capital credits, being retired from a portion of the unpaid capital credits accrued for the calendar year 2001 was made by Mr. Brosious, duly seconded by Mr. Ellgen, and carried with a unanimous vote.

Board members and staff discussed the utilization of unclaimed capital credits, for scholarships and other purposes as allowed by state statute. It was properly moved, seconded, and carried to direct staff and legal counsel to begin the process to utilize unclaimed capital credits for scholarships and other purposes as allowed by state statute and to designate unclaimed capital credits in the amount of \$75,379.22 for said purpose.

**12. Resolution to Approve Change of Monthly Board Meeting Date and Amend Policy 1-2**

The board reviewed Resolution 18-01P Approving Changing Time of The Monthly Regular Meeting of the Board of Directors and Approving Amendments to Board Policy 1-2. The board revised the resolution so that, beginning with the July 2018 regular monthly board meeting, monthly board meetings will be held on the fourth Tuesday of each calendar month, at a time specified on the agenda, at the office of the Association in Steamboat Springs, Colorado. The resolution was also revised to amend Board Policy 1-2 to reflect the change in meeting time. A motion to approve the resolution as revised was made by Mr. Ellgen, duly seconded by Ms. Sheehan, and the motion passed unanimously.

**13. Craig Service Center Staffing and Building Discussion**

The board discussed various options for improving the condition of the Craig Service Center. A motion authorizing staff to proceed with obtaining full master plan drawings for the Craig Service Center was made by Mr. Brosious, duly seconded by Mr. McClelland, and the motion passed with a unanimous vote.

Board members and staff discussed different options for staffing YVEA service center locations.

**14. Property Transactions**

There were no Property Transaction items.

**15. Election to Fill Officer Vacancies**

Mr. Fox opened the floor for nomination for the office of President. Mr. Brosious made a motion to elect Mr. Johnson as President. Mr. Roitsch seconded this motion and it passed with a unanimous vote. Mr. Fredregill noted that now leaves the Vice President officer position vacant. Board members and staff discussed Vice President responsibilities as per the bylaws as well as Board Policy 3-1. Board members agreed that the Finance Committee will revise Board Policy 3-1 and present its recommendation to the board for approval.

**COMMITTEE REPORTS**

**16. Policy Committee**

The board reviewed revised Board Policies 1-1, 1-3, 1-4, 1-5, 1-6, 1-7, 1-8, 1-9, and 1-10. It was properly moved and seconded to revise Policy 1-8 to require that the General Manager's vehicle be leased or purchased locally whenever possible. The board discussed that a local purchasing requirement already exists in Policy 4-6. The motion failed for lack of a majority.

Board Policy 1-12 was discussed and was returned to the policy committee for recommendation. Board Policies 1-11, 1-13, and 1-15 were briefly discussed. Legal counsel will present a memorandum and recommended revisions of said policies at the May meeting. The Policy committee will present any recommendations it has regarding

said policies at the same meeting. Board Policies 1-14 and 1-16 were discussed and were returned to staff for recommendation.

A motion approving Board Policies 1-1, 1-3, 1-4, 1-5, 1-6, 1-7, 1-8, 1-9, and 1-10 as presented was made by Ms. Sheehan, duly seconded by Mr. Ellgen, and the motion passed with a unanimous vote.

**17. Finance Committee**

There was no report.

**PENDING APPROVAL ITEMS**

There were no Pending Approval Items.

**OTHER ITEMS**

**18. Unfinished Business**

Ms. Mahon provided board members with an overview of activities and department goals in the Finance and Facilities departments.

Board members and staff took a ten-minute break and returned to the board meeting.

**19. New Business**

Mr. Hoffner presented the current construction work plan to board members and staff. Board members and staff discussed the current plan in-depth. Mr. Hoffner presented various timelines and scenarios for future system improvements and offered recommendations for amending the current construction work plan. Board members and staff heavily debated each of the recommendations, and discussed the various scenarios proposed by staff. Board members recommended that staff return to the May regular monthly board meeting with proposed construction work plan and budget amendment recommendations.

A motion authorizing YVEA to negotiate purchase and resale of the former general manager's vehicle under the terms discussed in executive session was made by Mr. Brosious, duly seconded by Mr. McClelland, and the motion passed with a unanimous vote.

**20. 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 5:00 p.m.

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Chairman of the Board

Dated: May 16, 2018

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Secretary of the Board

Dated: May 16, 2018