

YAMPA VALLEY ELECTRIC ASSOCIATION, INC.
ANNUAL MEETING OF MEMBERS

The Annual Meeting of Members of Yampa Valley Electric Association, Inc. was held at the Steamboat Springs campus in Steamboat Springs, Colorado at 3:30 p.m. on Thursday, June 22, 2017.

Mr. Dean Brosious, Chairman of the Board, called the meeting to order and announced that 23 members were registered, which constituted a quorum for the transaction of all business.

Mr. Brosious introduced the Board of Directors, Mr. Levi Williamson and Mr. Bryson Fredregill, the Association's attorneys, and Association General Manager, Ms. Diane Johnson.

Mr. Brosious introduced special guests: YVEA retirees, Neil Forsyth and Bill Greenwood; YVEA retiree, former Craig Mayor and current Moffat County Commissioner, Mr. Ray Beck; and YVEA retiree Burt Clements; former YVEA legal counsel Mr. Tom Sharp; former YVEA board member Chuck Perry; from Xcel Energy, Mr. Jim Sack; YVEA wholesale power advisor, Mr. Bill Leung; representing Senator Michael Bennett, Ms. Sarah Andrews; from CREA, Mr. Kent Singer; current State Representative, Ms. Diane Mitsch Bush; from CFC, Mr. Chip Marks; from Western United, Mr. Mike Prom; and 50-year member-owners Chuck (YVEA retiree) and Ginger Osborn.

Ms. Randi Owens 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 Andrew Werley, from Anchor Way Church in Steamboat Springs, Colorado.

The podium was returned back to Mr. Brosious, who then announced the director districts open for election: District 2, Mr. Larry Ellgen, who ran unopposed; District 3, Mr. Mike Brinks, and candidates Ms. Jean Stetson and Mr. John Kinkaid; and District 6, Mr. Tom Fox, who ran unopposed. Mr. Brosious then gave candidates from districts 2, 3, and 6 the opportunity to speak. Candidates addressed the membership with their comments.

Mr. Brosious called for all ballots to be collected from the audience to be combined with those returned by mail. 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. Mr. Brosious then announced the Teller Committee: Ms. Kathy Bertrand, Ms. Tina Bird, and Ms. Kelli Root. The Teller Committee left the meeting to begin the counting of the ballots. Mr. Brosious declared the election process as closed.

Mr. Brosious called on Ms. Owens to present the Secretary's report. A motion was made, seconded and carried to dispense with the reading of the minutes from the 2016 Annual Meeting of Members. Upon the motion being duly made and seconded, the following resolution was unanimously adopted:

RESOLVED that the minutes of the 2016 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, 2016 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 Bolinger, Segars, Gilbert, & Moss, LLP.

Mr. Brosious called for questions from members. Questions regarding the format of the Annual Report and Treasurer's Report 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 thanked members for their participation. Mr. Brosious then presented his report as Chairman of the Board. Mr. Brosious summarized 2016 as a year of challenge and change. The Association is currently evaluating and remodeling Association-owned properties. Mr. Brosious also noted that the elected directors representing the Craig district, and the elected director representing Baggs are on a sub-committee to give proposals to the board as to how to tackle the Craig customer service issue that has been brought to the board's attention.

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

Mr. Brosious concluded his report by offering his gratitude and appreciation for the Association's current Management team. Mr. Brosious noted that while there will be challenges ahead, member-owners can be assured the Association is financially sound and fiscally responsible. Mr. Brosious added that the remodeling of Association headquarters is not funded by current cash flow. The decision to pair long-term assets with long-term borrowing at fixed and affordable interest rates has been made with much consideration and input from board members with extensive education and experience in the financial industry.

The podium was turned over to Ms. Johnson who welcomed members and guests. Ms. Johnson then offered her report as General Manager. Ms. Johnson noted that this meeting marks the 75th annual meeting of the Association. Ms. Johnson added that for 75 years the Association has provided safe and reliable electricity to a very diverse set of members. The goal of the Association is to continue to adapt to the changing world. Ms. Johnson noted that she is very proud to be a steward of rural electrification and the cooperative business model.

Ms. Johnson provided updates on the Association headquarters property and its remodel, as well as various Association-owned properties. Ms. Johnson noted that the same care will be taken to remodel the Craig campus, in order to create a sense of pride and community at the Craig campus.

Ms. Johnson addressed reliability comments and defined industry reliability standards. Ms. Johnson explained how Association standards are calculated and how those calculations relate to industry standards. Ms. Johnson explained that since 2012, the Association has remained consistent with respect to industry reliability standards. Ms. Johnson noted that the Association strives to continually improve reliability and has been granted approval by the board to continue to invest in infrastructure and technology improvements in order to continue providing safe and reliable energy.

Ms. Johnson then explained the Operation Round Up program, formerly Caring Consumers. Ms. Johnson described how the program works and introduced one of the 2016 grant recipients, Yampa Valley Sustainability Council with Totally Kids, Inc. Ms. Sarah Jones from Yampa Valley Sustainability Council and Ms. Selena Frentress from Totally Kids, Inc. then took the podium, along with children representatives from Totally Kids, Inc. The group offered their thanks and appreciation to the Operation Round Up program, and presented a slideshow that provided an overview of the services offered by both Yampa Valley Sustainability Council and Totally Kids, Inc.

Ms. Johnson then returned to the podium and presented a live demonstration of the solar installation on Association property. Ms. Johnson explained that the Association partnered with the State of Colorado and GRID Alternatives, a Colorado-based non-profit organization, to build a solar array on Association property, and use the energy produced

to provide assistance to qualifying subscribers. Mr. Steve Johnson, Manager of Operations, joined Ms. Johnson at the podium to provide a technical explanation of the live demonstration.

Ms. Johnson then provided an overview of the Advanced Metering Infrastructure technology currently being implemented across Association territory. Ms. Johnson noted that implementation should be complete by the end of 2018, and the investment in the technology will be recovered in nine years. Mr. Johnson then returned to the podium to provide a live demonstration of the system.

Ms. Johnson then returned to the podium and introduced a slideshow highlighting the Association's 75-year history.

Following the slideshow, Mr. Brosious returned to the podium to introduce the door prize drawings. Ms. Wilson, Ms. Mahon, Ms. Emily Meek, and Ms. Tammi Strickland, presented the winning tickets with either a gift, or a gift card sponsored by Western United or Xcel Energy.

Mr. Brosious then announced the results of the director district elections for districts 2, 3, and 6, as submitted by the Teller Committee.

In Director District 2, representing Craig, Mr. Larry Ellgen petitioned and ran unopposed and according to the Bylaws of the Association was therefore declared reelected.

In Director District 6, representing Steamboat Springs, Mr. Tom Fox petitioned and ran unopposed and according to the Bylaws of the Association was therefore declared reelected.

Mr. Brosious reported that three petitions were received for the position in Director District 3, representing Craig. Incumbent, Mr. Mike Brinks, received 628 votes, Ms. Jean Stetson received 1412 votes, and Mr. John Kinkaid received 351 votes, therefore Ms. Jean Stetson was declared elected for the Director District 3 position. Mr. Brosious offered his thanks and appreciation to Mr. Brinks for his years of dedicated service to the board.

Mr. Brosious called for any unfinished business.

Mr. Brosious called for any new business.

Mr. Brosious announced the conclusion of the Annual Meeting of Members of Yampa Valley Electric Association, Inc. for June 22, 2017, and asked for any questions. Clarification to rate charges was given and general operations questions were addressed.

There being no further business Mr. Brosious asked for a motion to adjourn and upon motion being duly made, seconded and unanimously approved, the meeting adjourned at 5:30 p.m.

Secretary

APPROVED:

Chairman of the Board