

**Yampa Valley Electric Association, Inc.**  
Regular Meeting of Board of Directors  
Tuesday, April 23, 2019  
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, Larry Ellgen, Pat McClelland, Scott McGill, Frank Roitsch, Ken Rogers, and Jean Stetson. Also present were General Counsel, Bryson Fredregill; General Manager, Steve Johnson; Finance Manager, Amy Mahon; Engineering Manager, Benj Hoffner; Member Services Manager, Kathy Bertrand; IT Manager, Kelli Root; Human Resources Manager, Randi Owens; Operations Manager, John Cromer; Broadband Manager, Alan Van Buskirk; and Board Secretary, Larissa Rock. Director Glynda Sheehan was absent.

**2. Executive Session**

A motion was made, duly seconded, and passed unanimously that the board of directors go into an executive session to consider documents and testimony given in confidence, and the general topics of such executive session will be to discuss and consider the General Manager's Report, Broadband development, General Manager compensation, personnel matters, and the process for proposing amendments to the YVEA bylaws related to director qualifications and removal. Board members, General Manager, Board Secretary, and General Counsel were in attendance during such executive session. General Manager, Steve Johnson and Board Secretary Larissa Rock were excused from the portion of the meeting concerning General Manager compensation. Such executive session convened at approximately 9:00 a.m. A motion was made, duly seconded, and passed unanimously that the board of directors take a ten-minute recess at approximately 11:00 a.m. A motion was made, duly seconded, and passed unanimously that the board of directors exit executive session and return to open session at approximately 1:30 p.m.

**3. Approval of Minutes**

The board reviewed the minutes from the March 26, 2019 regular monthly board meeting.

A motion approving the minutes from March 26, 2019, as presented, was made by Mr. McClelland, duly seconded by Mr. Ellgen, and passed unanimously.

**4. Member-Owner Comments**

The board welcomed Patrick Delaney to the meeting.

**5. Director Comments**

There was no discussion.

**INFORMATION ITEMS**

**6. Staff Reports**

The Financial Stability report as prepared by Amy Mahon was reviewed and discussed. Ms. Mahon noted that Phase II of the Steamboat campus remodel is still overall below

budget. The building committee is currently discussing options for the Craig campus renovation.

The Customer Service report as prepared by Kathy Bertrand was reviewed and discussed. Board members and staff discussed the Operation Round Up program and plans to focus on grant recipients, to better inform members as to where their contribution is going.

The Workforce Planning report as prepared by Randi Owens was reviewed and discussed. Board members and staff discussed the current open positions in the Craig and Steamboat offices. Mr. Johnson noted that the YVEA has received notice from the IBEW of their intent to prepare to renew their union contract.

The Engineering report as prepared by Benj Hoffner was reviewed and discussed. Board members and staff briefly discussed the various projects that have been slow to progress, pending information from Xcel Energy.

The Operations report as prepared by John Cromer was reviewed and discussed.

The Information Technology report as prepared by Kelli Root was reviewed and discussed. Board members and staff discussed the company's cybersecurity solution that has been implemented this year. Ms. Root noted that the technology has been successful in protecting the company's digital infrastructure.

The Safety report as prepared by Kevin Inman was presented by Randi Owens. The report was reviewed and discussed.

#### **7. CREA**

Mr. McGill provided a comprehensive update of the business conducted at the regular CREA board meeting.

#### **8. Western United**

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

### **ACTION AND DISCUSSION ITEMS**

#### **9. Acceptance of the Financial and Statistical Reports for March 2019**

Board members and staff reviewed the audited financial highlights from the month of March 2019.

A motion accepting the financial and statistical reports from the month of March 2019, was made by Mr. Brosious, duly seconded by Mr. Roitsch, and the motion passed unanimously.

#### **10. Amendment to Articles of Incorporation**

Mr. Fredregill presented a Resolution Approving Amendment and Restatement of the Yampa Valley Electric Association, Inc. Articles of Incorporation and Authorizing Submission for Approval of the Amended and Restate Articles of Incorporation of the Yampa Valley Electric Association, Inc., to a Vote of the Members Present at the Yampa Valley Electric Association, Inc. 2019 Annual Meeting. Mr. Fredregill noted that the Association's Articles of Incorporation are in need of restatement because of the legibility of the documents. The restatement will also include an amendment designed to clarify the intent of a prior amendment to the Articles of Incorporation a. The restatement will incorporate all prior and contemporary amendments into a single document. A motion approving the resolution as presented was made by Mr. Ellgen, duly seconded by Mr. McGill, and the motion passed unanimously.

Mr. Fredregill explained that the membership will have to approve the amended and reinstated Articles of Incorporation at the annual meeting in June. Ms. Bertrand noted that normally staff will print the information and ballot regarding the amendment and restatement and members will be able vote at the annual meeting. Mr. Fredregill added that it is not uncommon for cooperatives to handle this ballot this way. A vote was taken,

and board members unanimously voted in favor of distributing a ballot for the amended and restated Articles of Incorporation at the 2019 annual meeting of members.

**11. Approval of Schedule of Fees and Associated Operating Procedures**

Mr. Johnson explained that based on discussion at last month's regular monthly meeting, staff made revisions to the proposed schedule of fees. A motion approving the Schedule of Fees as presented, was made by Mr. McGill, duly seconded by Mr. Ellgen, and the motion passed unanimously.

**12. Allocation and Retirement of Deceased Members Capital Credits**

Ms. Mahon presented board members with a request for approval of capital credit allocations in the amount of \$3,272,515.60 from the 2018 margins, and the approval of capital credit retirement in the amount of \$1,733,155 or 50% of unretired capital credits, being retired from a portion of the unpaid capital credits accrued for the calendar year 2002. Ms. Mahon noted that a portion of the allocated amount will be distributed in June and the remainder in December.

A motion approving the retirement and allocation of capital credits as presented was made by Mr. McClelland, duly seconded by Mr. Rogers, and the motion passed with a unanimous vote.

**13. Broadband Discussion**

Mr. Johnson noted that due diligence has been completed regarding a potential broadband asset acquisition in Craig. Mr. Johnson added that there is no update regarding Phase I broadband deployment.

**14. REC and DG/IA Renewables Programs**

Board members and staff discussed the company's current REC and DG/IA Renewables programs, and associated rate structures.

A motion approving the REC program, moving the 3x multiplier to 1x multiplier was made by Mr. Brosious, duly seconded by Mr. Ellgen. Discussion followed regarding partnering with local communities on various renewable projects. The motion passed with a unanimous vote.

**15. Unfinished Business – Other Action Items**

A motion authorizing the general manager to request a loan commitment from CFC in the amount of \$50,000,000.00 for broadband deployment was made by Ms. Stetson, duly seconded by Mr. Roitsch and the motion passed unanimously.

A motion authorizing the buildout and deployment of broadband pilot and phases I, II, and III was made by Ms. Stetson, duly seconded by Mr. Rogers. Discussion followed regarding current funding available for said buildout and deployment prior to receiving additional funding from CFC, and status of current phases of broadband deployment. The motion passed with a unanimous vote.

A motion to adjust the general manager's compensation as discussed in executive session, and to authorize the board chair to negotiate an employment contract with the general manager under the terms discussed in executive session, was made by Ms. Stetson, duly seconded by Mr. Roitsch. Mr. Fox opened the floor for discussion. Mr. McGill expressed his opposition to the motion, adding that a contract shows a lack of trust on both sides of the contract. The motion passed with a majority vote.

A motion authorizing the general manager to move forward with acquiring broadband assets in Craig, Colorado, under the terms discussed in executive session was made by Mr. Roitsch, duly seconded by Mr. McGill, and the motion passed unanimously.

**16. Bylaw Amendment Regarding Director Qualification and Removal**

Discussion was tabled until the May regular meeting of the Board of Directors.

**17. Property Transactions**

There were no transactions.

**COMMITTEE REPORTS**

**18. Policy Committee**

There was no report.

Board members discussed the current accepted protocol for reviewing and amending board policies. Mr. Brosious noted that it is unacceptable to not follow the protocol set by the policy committee, as it creates confusion to send a policy to the board prior to review by the appropriate committee. Board members agreed that policies needing review should be submitted to the policy committee, reviewed by legal counsel where appropriate, and submitted to the board for approval. Financial policies will be submitted to the finance committee, reviewed by legal counsel where appropriate, and submitted to the board for approval.

**19. Finance Committee**

There was no report.

**PENDING APPROVAL ITEMS**

There were no pending approval items.

**OTHER ITEMS**

**20. Upcoming Meetings**

There was no discussion.

**21. Additional Unfinished Business**

There was no additional unfinished business.

**22. New Business**

**2019 Annual Meeting of Members: Change of Venue**

Ms. Rock noted that the 2019 Annual Meeting of Members will be moved to the Steamboat Springs High School to accommodate a larger number of members in attendance. The day will begin with the June regular monthly meeting, and the annual meeting will follow in the afternoon.

**23. 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 3:00 p.m.

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Chairman of the Board

Dated: May 28, 2019

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Secretary of the Board

Dated: May 28, 2019