

**Yampa Valley Electric Association, Inc.**  
Regular Meeting of Board of Directors  
Tuesday, June 25, 2019  
Steamboat Springs High School  
45 Maple Street  
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, Scott McGill, Frank Roitsch, Ken Rogers, Glynda Sheehan, and Jean Stetson. Also present were General Counsel, Bryson Fredregill; General Manager, Steve Johnson; and Board Secretary, Larissa Rock.

**2. Member-owner Comment**

The board welcomed member-owner Dan Foley. Mr. Foley addressed board members, expressing his concern regarding Association bylaws, board transparency, and nepotism.

**3. 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, personnel matters, 2019 Annual Meeting, director election process, proposed amendments to the YVEA Bylaws regarding director qualification and removal, and unauthorized use of the YVEA logo. Board members, General Manager, Board Secretary, and General Counsel were in attendance during such executive session. Director Larry Elgin entered the meeting during the General Manager's report at approximately 9:52 a.m. Mr. Fox recused himself from the portion of the meeting regarding proposed amendments to the YVEA bylaws related to director qualifications and removal. Such executive session convened at approximately 9:30 a.m. A motion was made, duly seconded, and passed unanimously that the board of directors take a thirty-minute recess at approximately 12:00 p.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 1:00 p.m.

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; and Broadband Manager, Alan Van Buskirk entered the meeting. Member-owners Sonja Macys, Jeremy Behling, Chuck Grobe, and Scott Conner were also present.

**4. Approval of Minutes**

The board reviewed the minutes from the May 28, 2019 regular monthly board meeting.

A motion approving the minutes from May 28, 2019, as presented, was made by Mr. McGill, duly seconded by Mr. McClelland, and passed unanimously.

**5. Director Comments**

Board members and staff expressed their appreciation and gratitude to Mr. McClelland for his service over the past 18 years as director, past chair, and vice chair of the board.

## **INFORMATION ITEMS**

### **6. General Manager's Report**

The General Manager's report as prepared by Steve Johnson was reviewed and discussed. Mr. Johnson noted that there are currently 82 members interested in YVEA's backup generation program. Staff is finalizing the details of the program. Board members and staff discussed the dates of the strategy planning sessions. The sessions will be held on July 30 and 31, 2019, in the Steamboat Springs office. Board members and staff discussed the EV charging stations that have been installed at both the Steamboat and Craig campuses. The stations are operational. Mr. Johnson noted that staff is finalizing a number of grant applications that will be submitted by the July regular board meeting.

### **7. Staff Reports**

The Financial Stability report as prepared by Amy Mahon was reviewed and discussed. Ms. Mahon noted that Luminare will be based out of the south building next to the YVEA Steamboat campus.

The Customer Service report as prepared by Kathy Bertrand was reviewed and discussed. Board members and staff discussed the Operation Round Up program, noting that the program reaches across the YVEA territory.

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.

The Engineering report as prepared by Benj Hoffner was reviewed and discussed. Board members and staff discussed the current projects in process, briefly discussing 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. Board members and staff discussed the current tree trimming operations and progress. Mr. Cromer noted that the current cycle is between 5-7 years, however crews have been trimming some areas after three years. Board members and staff discussed dispatch call volume, call wait time, and response time, as well as efficiencies that have resulted from the implementation of AMI.

The Information Technology report as prepared by Kelli Root was reviewed and discussed. Ms. Root explained the significance of the data in the reports generated by the various IT software purchased following the technology work plan.

The Safety report as prepared by Kevin Inman was presented by Randi Owens. The report was reviewed and discussed. Ms. Owens noted that the Association has built a live line demonstration trailer that will be used by trained staff at events and training sessions across the territory. The trailer will be used to educate the public, including emergency personnel, by demonstrating various electrical scenarios, and the proper response to emergency situations.

### **8. CREA**

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

### **9. Western United**

Mr. McGill noted that there was no board meeting.

## **ACTION AND DISCUSSION ITEMS**

### **10. Acceptance of the Financial and Statistical Reports for May 2019**

Board members and staff reviewed the unaudited financial highlights from the month of May 2019.

A motion accepting the financial and statistical reports from the month of May 2019, was made by Mr. Ellgen, duly seconded by Mr. McClelland, and the motion passed unanimously.

**11. Property Transactions**

There were no transactions.

**12. Broadband Discussion**

Mr. Van Buskirk provided an update on Luminate Broadband progress.

**CFC Loan Approval**

Ms. Mahon presented Resolution 19-04 to the board for approval. The resolution will authorize staff to fully execute a loan agreement with CFC for two notes of \$25,000,000.00 each, for broadband development, equipment, and deployment. Ms. Mahon noted that the second note will be drawn upon after the full draw of the first note, expected to be summer of 2020.

A motion approving Resolution 19-04, which authorizes the President to execute a loan agreement with CFC in the amount of two notes of \$25,000,000, was made by Mr. Roitsch, duly seconded by Mr. McClelland, and the motion passed unanimously.

Mr. Fox recused himself from the meeting. Mr. Ellgen lead the meeting as Vice Chair.

**13. 2019 Annual Meeting and Director Elections**

Mr. Fredregill announced that, on or about June 10<sup>th</sup>, the Association received notice that a candidate in a director race was using the YVEA logo without obtaining permission from YVEA and that there was concern that the campaign communication may be misperceived as an endorsement or opposition from YVEA. Within a day, Association staff notified the candidate that the candidate must cease using the YVEA logo. The candidate was then issued a formal cease and desist letter by certified mail and e-mail. Also, the day after the Association first received notice that a candidate was using the YVEA logo, the Association notified members via a mass e-mailing, website posting, social media posting, office posting, and a posting in the newspapers serving the territory that an unauthorized use of the YVEA logo occurred and that YVEA neither endorses nor opposes any candidacy for the position of director on the YVEA Board of Directors. The candidate removed the logo from all existing and further advertising campaigns and communication and issued a statement regarding the logo use.

Mr. Fox returned to the meeting as Board Chair.

**COMMITTEE REPORTS**

**14. Policy Committee**

There was no report.

**15. Finance Committee**

There was no report.

**PENDING APPROVAL ITEMS**

There were no pending approval items.

**OTHER ITEMS**

**16. Upcoming Meetings**

Board members briefly discussed the dates of July 30 and 31, 2019, as the dates of the strategic planning meeting. The meeting will begin at 8:00 a.m. each day.

**17. Unfinished Business**

Mr. McGill moved to withdraw the proposed amendment to the bylaws regarding director qualification and removal from the 2019 Annual Meeting. Mr. McGill noted that his concern was that some members may not have had enough time to consider the proposed bylaw amendments. Mr. McGill added that more board discussion should take place before a decision to amend this section of the bylaws is made. Mr. Roitsch duly seconded the motion. Discussion followed.

Member-owner Scott Connor addressed the board, regarding the amount of notice of the bylaw change, noting that the perception may be that the board is trying to do something quickly, without due process, and without transparency. Mr. Fox explained that many cooperatives across America are struggling with the inability to function as a board because they have non-participant board members. Mr. Rogers added that the proposed amendment does not remove the membership’s right to remove a director.

Board members discussed withdrawing the proposed amendment from the 2019 Annual Meeting, as well as continuing to submit the proposed amendment to a vote of the members present at the 2019 annual meeting. The motion failed for lack of a majority.

**18. New Business**

There was no new business.

**19. 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 2:20 p.m.

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Chairman of the Board

Dated: July 23, 2019

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Secretary of the Board

Dated: July 23, 2019