

Yampa Valley Electric Association, Inc.

Regular Meeting of Board of Directors

Tuesday, September 24, 2019

2211 Elk River Road

Steamboat Springs, Colorado

Vice Chairman Larry Ellgen called the meeting to order at 9:10 a.m.

1. Call to Order

Upon calling roll, it was reported that the following directors were present: Dean Brosious, Sonja Macys, Scott McGill, Patrick Delaney, Ken Rogers, Glynda Sheehan, Jean Stetson, and Larry Ellgen. Also present were General Counsel, Bryson Fredregill; General Manager, Steve Johnson; and Board Secretary, Larissa Rock. Director Tom Fox 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 a YVEA confidentiality agreement, broadband development, personnel matters, property development, YVEA and Luminate Broadband benefits, cost of service study and rate design report. Board members, General Manager, Board Secretary, and General Counsel were in attendance during such executive session. Such executive session convened at approximately 9:10 a.m. A motion was made, duly seconded, and passed unanimously that the board of directors take a fifteen-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 12:15 p.m.

Finance Manager, Amy Mahon; Engineering Manager, Benj Hoffner; Member Services Manager, Kathy Bertrand; Human Resources Manager, Randi Owens; Operations Manager, John Cromer; and Broadband Manager, Alan Van Buskirk entered the meeting. IT Manager, Kelli Root, was absent.

3. Approval of Minutes

The board reviewed the minutes from the August 27, 2019 regular monthly board meeting.

A motion approving the minutes from August 27, 2019, as presented, was made by Ms. Macys, duly seconded by Mr. Delaney, and passed unanimously.

4. Member-owner Comment

The board welcomed Ms. Suzie Romig. Ms. Romig addressed the board with information regarding electric vehicles as well as information regarding rebates offered for the purchase of electric vehicles.

5. Director Comments

The board discussed the YVEA employee appreciation event that was held at Snowbowl in Steamboat on Saturday, September 14.

Ms. Macys thanked the board for the discussion regarding renewable resources and the opportunity for future potential business ventures in the renewable energy sector.

Board members and staff discussed the process which a member would follow to begin the construction of a solar array. Mr. Hoffner explained that the first step the member must take is to contact the owner of the property where the solar array will be located and secure the land for construction. Then, the member should contact YVEA in order to begin the feasibility, system impact, and facilities studies necessary to continue the construction process.

INFORMATION ITEMS

6. General Manager's Report

Mr. Johnson noted that he would be giving an oral report this month. Mr. Johnson noted that construction season is coming to a close, and also that he is working with staff to finalize the 2020 budget, and working through the details of the franchise agreement with the City of Steamboat Springs.

7. Staff Reports

The Financial Stability Report as prepared by Amy Mahon was reviewed and discussed.

The Customer Service Report as prepared by Kathy Bertrand was reviewed and discussed. Board members and staff discussed the standby generator program.

The Workforce Planning Report as prepared by Randi Owens was reviewed and discussed.

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

The Engineering Report as prepared by Benj Hoffner was reviewed and discussed.

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.

The Luminate Broadband Report as prepared by Alan Van Buskirk was reviewed and discussed.

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 August 2019

Board members and staff reviewed the unaudited financial highlights from the month of August 2019, for both YVEA and Luminate Broadband.

A motion accepting the unaudited financial and statistical reports for YVEA and Luminate Broadband from the month of August 2019, was made by Ms. Sheehan, duly seconded by Mr. Brosious, and the motion passed unanimously.

11. Approval of Amended Retirement Security Plan

Ms. Owens presented a resolution to the board for approval. Ms. Owens noted that the resolution would amend YVEA's defined benefit Retirement Security Plan with NRECA to increase the death benefit from 50% to 100%. A motion approving the resolution as presented was made by Mr. McGill, duly seconded by Ms. Sheehan, and the motion passed unanimously.

12. 2020 Preliminary Budget Presentation

This item was tabled.

13. Steamboat Springs Franchise Agreement Update

There was no discussion.

14. Property Transactions

There were no transactions.

15. Luminate Broadband Action Items

Ms. Owens presented a Resolution Authorizing Amendment of the NRECA 401(k) Pension Plan Adoption Agreement "A" and the Retirement Security Plan. Ms. Owens noted that the resolution amends the YVEA Retirement Security Plan and 401(k) Pension Plans to exclude employees of Luminate Broadband and any future subsidiaries the cooperative may form or acquire from participation in the plans.

Ms. Owens also presented a Resolution Authorizing the Adoption of the Safe Harbor 401(k) Pension Plan Under the NRECA 401(k) Pension Plan for Luminate Broadband. Ms. Owens noted that the resolution establishes a 401(k) pension plan to be offered to Luminate Broadband employees. Mr. Fredregill recommended to the board that approval of the resolutions be contingent on legal review.

A motion approving the Resolution Authorizing Amendment of the NRECA 401(k) Pension Plan Adoption Agreement "A" and the Retirement Security Plan as presented but pending legal review, was made by Mr. McGill, duly seconded by Mr. Rogers, and the motion passed unanimously.

A motion approving the Resolution Authorizing the Adoption of the Safe Harbor 401(k) Pension Plan Under the NRECA 401(k) Pension Plan for Luminate Broadband as presented but pending legal review, was made by Mr. McGill, duly seconded by Mr. Delaney, and the motion passed unanimously.

COMMITTEE REPORTS

16. Policy Committee

The board reviewed revised Board Policy 1-7: Directors Expenses and Reimbursement. No further revisions were proposed to the presented revised statements.

A motion approving Board Policy 1-7: Directors Expenses and Reimbursement as presented was made by Ms. Macys, duly seconded by Mr. Rogers, and the motion passed unanimously.

The Policy Committee presented an extensive list of potential qualifications for YVEA directorship under consideration for presentation to the membership as a bylaw amendment at the next annual meeting. The board held a robust discussion regarding the current bylaw qualifications to become a director, giving considerable thought to whether each of the items on the presented list should be incorporated in a proposed bylaw amendment. The list of potential requirements was submitted to legal counsel for further review and revisions.

Ms. Romig left the meeting.

17. Finance Committee

There was no report.

OTHER ITEMS

18. Upcoming Meetings

There was no discussion.

19. Unfinished Business

A motion to amend the minutes from the August 27, 2019 monthly board meeting to include the titles of the policies referenced in those minutes was made by Ms. Macys, duly seconded by Mr. Delaney, and the motion passed with Ms. Stetson opposed.

20. New Business

There was no new business.

Ms. Sheehan and Mr. Rogers left the meeting.

21. 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 YVEA company matters, YVEA cost of service study rate discussion, and the YVEA 2020 preliminary budget analysis. Board members, General Manager, Board Secretary, and General Counsel were in attendance during such executive session. Ms. Owens was present for the portion of executive session regarding YVEA company matters. Ms. Mahon was present for the portions of executive session regarding YVEA cost of service study rate discussion and YVEA 2020 preliminary budget analysis. Mr. Delaney and Ms. Macys left the meeting during executive session. Such executive session convened at approximately 4:00 p.m.

22. Recess

Vice Chairman Larry Ellgen then declared this regular meeting recessed at 5:15 p.m. until 9:00 a.m. on Tuesday, October 22, 2019.

Chairman of the Board

Dated: October 22, 2019

Secretary of the Board

Dated: October 22, 2019