

**Yampa Valley Electric Association, Inc.**

Regular Meeting of Board of Directors

Tuesday, October 22, 2019

2211 Elk River Road

Steamboat Springs, Colorado

The Board of Directors of Yampa Valley Electric Association, Inc., reconvened at 2211 Elk River Road, Steamboat Springs, Colorado at 9:00 a.m. on October 22, 2019.

Chairman Tom Fox reconvened the recessed meeting of September 24, 2019. Upon calling roll, it was reported that the following directors were present: Tom Fox, 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. After Mr. Fox declared that the recessed meeting was re-opened, Mr. Fox noted that the board of directors were still in executive session, initially called at the September 24, 2019 meeting. A motion was made, duly seconded, and passed unanimously that the board of directors exit executive session and return to open session at approximately 9:05 a.m. Mr. Fox declared that all business of the recessed meeting was concluded and called for a motion to adjourn. Upon motion being made, duly seconded, and passed unanimously, the recessed meeting was adjourned.

Mr. Fox called the regular monthly meeting of October 22, 2019 to order at 9:10 a.m.

**1. Call to Order**

Upon calling roll, it was reported that the following directors were present: Tom Fox, 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.

**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, property development, asset acquisitions, , Colorado Senate Bill 19-107, a loan to Luminare Broadband, and other Luminare Broadband updates. 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 twenty-minute recess at approximately 11:40 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 12:00 p.m.

Finance Manager, Amy Mahon; Engineering Manager, Benj Hoffner; IT Manager, Kelli Root; Human Resources Manager, Randi Owens; Operations Manager, John Cromer; and Broadband Manager, Alan Van Buskirk entered the meeting. Member Services Manager, Kathy Bertrand was absent. Member-owners Catherine Carson, Suzie Romig, Scott Conner, and Norm Weaver also joined the meeting.

**3. Approval of Minutes**

The board reviewed the minutes from the September 24, 2019 regular monthly board meeting.

A motion approving the minutes from September 24, 2019, as presented, was made by Ms. Stetson, duly seconded by Ms. Sheehan, and passed unanimously.

#### **4. Member-owner Comment**

The board welcomed member-owners Catherine Carson, Suzie Romig, Scott Conner, and Norm Weaver. Mr. Weaver addressed the board with suggestions for enhancing the Cen\$ible Energy Program. Ms. Carson addressed the board with suggestions on how to increase member awareness and participation during director elections. Mr. Conner addressed the board with suggestions for increasing member awareness of bylaw changes that may be presented for approval during annual meetings.

#### **5. Director Comments**

Mr. Delaney noted that members in Hayden have expressed concern after the recent power outages. Mr. Johnson noted that he will follow-up with concerned members by scheduling meetings with them individually.

Mr. Fox noted that he attended the commissioning of the EV charging station at Alpine Bank in Steamboat.

### **INFORMATION ITEMS**

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

Mr. Johnson noted that he would be giving an oral report this month. Board members and Mr. Johnson discussed current state and federal legislation affecting rural electric cooperatives, as well as hazard mitigation programs, and energy efficiency and rebate programs.

#### **7. Staff Reports**

The Financial Stability Report as prepared by Amy Mahon was reviewed and discussed. Mr. Fox inquired as to the addition of an electric vehicle to the fleet during the 2020 budget. Mr. Cromer confirmed that the 2020 budget does include the purchase of an electric vehicle.

Mr. Johnson noted that he is continuing discussions with the President of CEC regarding the energy production of the Craig area solar array.

Ms. Macys inquired about the 2019 member survey. Ms. Bertrand noted that 10,700 emails were sent, and 1049 responses were received.

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. Ms. Owens invited board members to the company holiday dinner on December 7, at Three Peaks in Steamboat. Mr. Cromer noted that broadband crews in the field are certified to operate below, but not in, the power space when working around YVEA infrastructure, and their activities are frequently monitored by crews and safety staff.

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. Mr. Hoffner noted that six new reclosers have been installed at the Hayden substation. This improvement will help with analysis of outages.

The Operations Report as prepared by John Cromer was reviewed and discussed. Board members and staff discussed the differences in construction and reliability between the CEC and YVEA solar arrays.

The Information Technology Report as prepared by Kelli Root was reviewed and discussed. Ms. Root noted that the Department of Homeland Security will be onsite next week to conduct a no-cost security analysis.

The Luminate Broadband Report as prepared by Alan Van Buskirk was reviewed and discussed. Mr. Van Buskirk noted that customers who have signed-up for service via luminatebroadband.com will be notified by email once Luminate Broadband services are available in their area.

**8. CREA**

Mr. McGill noted that there was no 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 September 2019**

Board members and staff reviewed the unaudited financial highlights from the month of September 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 September 2019, was made by Mr. Brosious, duly seconded by Mr. Delaney, and the motion passed unanimously.

**11. Approval of Resolution to Amend 2019 Budget**

The board reviewed 19-06 Approving Changing the 2019 Budget to Reflect the Approved Fiber Spend for 2019, which amends the 2019 capital budget to \$16,105,759 in total, as a result of increasing the fiber line budget from \$500,000 to \$2,500,000. A motion to approve the resolution as presented was made by Mr. Brosious, duly seconded by Mr. Ellgen, and the motion passed unanimously.

Board members and staff took a ten-minute recess.

**12. Approval of Retirement of Capital Credits**

Ms. Mahon presented Resolution 19-07, approving a capital credit retirement in the amount of \$1,594,611 from the unretired capital credits for the calendar year 2002, which is the balance of the 4% budgeted for retirement in 2019. Ms. Mahon noted that capital credit allocations in the amount of \$3,272,515.60, from the 2018 margins, were allocated in April 2019.

A motion approving the resolution as presented was made by Mr. McGill, duly seconded by Ms. Macys, and the motion passed unanimously.

**13. Other Action Items**

A motion to authorize the Chairman of the Board to execute on behalf of YVEA all documents necessary to memorialize a transfer of broadband assets from YVEA to Luminate Fiber LLC as discussed in executive session was made by Mr. Ellgen, duly seconded by Mr. Brosious, and the motion passed unanimously.

A motion to authorize the Chairman of the Board to execute on behalf of YVEA all documents necessary to memorialize a loan from YVEA to Luminare Fiber LLC as discussed in executive session was made by Mr. Ellgen and duly seconded by Ms. Stetson. Mrs. McGill offered a friendly amendment to clarify that the loan amount was up to \$20 million and the amendment was accepted by all. The motion, as amended, passed unanimously.

A motion to authorize the Chairman of the Board to negotiate and execute all documents necessary to provide Luminare Fiber LLC use of YVEA's broadband network for the provision of commercial broadband was made by Mr. Ellgen, duly seconded by Mr. Brosious, and the motion passed unanimously.

**14. 2020 Preliminary Budget Presentation**

Ms. Mahon presented the preliminary 2020 budget. Board members and staff discussed key increases or decreases in spending proposed for 2020, including pre-orders necessary for items such as large fleet vehicles. Mr. Johnson noted that one of the large Altec trucks requires a 300-day build. A motion approving the pre-order of the Altec truck was made by Mr. Brosious, and duly seconded by Ms. Sheehan. Discussion followed regarding the approval of the pre-order of the 2020 budgeted item. Ms. Macys suggested that staff return with a description of the requested item or items to be pre-approved. Mr. Brosious withdrew his motion.

**15. Steamboat Springs Franchise Agreement Update**

There was no discussion.

**16. Property Transactions**

There were no transactions.

**17. Luminare Broadband Action and Discussion Items**

There was no discussion.

**COMMITTEE REPORTS**

**18. Policy Committee**

There was no report.

**19. Finance Committee**

There was no report.

**OTHER ITEMS**

**20. Upcoming Meetings**

There was no discussion.

**21. Unfinished Business**

There was no unfinished business.

**22. New Business**

Board members and staff discussed each of the attending member-owner's topics presented at the meeting. Mr. Johnson noted that he will prepare a response to each of the members who spoke during the Member-owner Comment portion of the meeting. Mr. Fredregill noted that he will deliver samples of election policies to the policy committee for discussion during their next meeting.

Board members and staff discussed the next steps following the strategic planning sessions held in July.

Ms. Macys left the meeting. Mr. McGill left the meeting.

**23. 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 franchise agreement with the city of Steamboat Springs. Board members, General Manager, Board Secretary, and General Counsel were in attendance during such executive session. Such executive session convened at approximately 4:00 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 4:35 p.m.

**24. Adjournment**

Chairman Tom Fox then declared this regular meeting adjourned at 4:35 p.m.

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Chairman of the Board

Dated: November 26, 2019

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Secretary of the Board

Dated: November 26, 2019