

Yampa Valley Electric Association, Inc.

Regular Meeting of Board of Directors

Tuesday, November 26, 2019

2211 Elk River Road

Steamboat Springs, Colorado

Chairman Tom Fox called the meeting to order at 9:30 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 to receive attorney-client privileged legal advice from Attorney Fredregill, and the general topics of such executive session will be to discuss and consider broadband development and associated asset acquisitions, property development and potential acquisitions, Luminate Broadband updates, a potential litigation item, and 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 9:30 a.m. A motion was made, duly seconded, and passed unanimously that the board of directors take a forty-minute recess at approximately 11:20 a.m.

Director Macys left the meeting during executive session before discussion of the Steamboat Springs franchise agreement.

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.

Director Macys; 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-owner and YVEA lineman, Rex Stafford, also joined the meeting.

3. Approval of Minutes

The board reviewed the minutes from the October 22, 2019 regular monthly board meeting.

A motion approving the minutes, as presented, from the October 22, 2019 regular monthly board meeting, was made by Ms. Macys, duly seconded by Ms. Sheehan, and passed unanimously.

4. Member-owner Comment

The board welcomed member-owner and YVEA lineman Rex Stafford to the meeting. Mr. Fox thanked Mr. Stafford for volunteering regularly and representing YVEA at various local events.

5. Director Comments

Board members discussed the Energy Innovations Summit hosted by CREA. The summit was held in October in Denver, Colorado.

INFORMATION ITEMS

6. General Manager’s Report

Board members and Mr. Johnson discussed renewable energy opportunities and community initiatives, residential solar member education opportunities, and the recent negative power cost adjustment (PCA) received from Xcel Energy and passed through as a bill credit to members.

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.

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 Luminare 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 provided a comprehensive update of the business conducted at the regular Western United board meeting.

Board members and staff took a ten-minute recess.

ACTION AND DISCUSSION ITEMS

10. Acceptance of the Financial and Statistical Reports for October 2019

Board members and staff reviewed the unaudited financial highlights from the month of October 2019, for YVEA. The board also reviewed the unaudited financial highlights for Luminare Broadband LLC.

A motion accepting the unaudited financial and statistical reports for YVEA from the month of October 2019, was made by Mr. Brosious, duly seconded by Mr. Delaney, and the motion passed unanimously.

11. Resolution Approving the 2020 Annual Meeting Date

The board reviewed Resolution 19-08 approving the date of the 2020 YVEA annual meeting of members. The date of the 2020 annual meeting will be June 23, 2020, the fourth Tuesday in June.

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

12. Resolution Approving a 2020 Rate Adjustment

Ms. Mahon presented a proposed rate adjustment for 2020. The proposed adjustment would increase the Small General Service access charge and energy charge to \$34.75 and \$0.0945 per kWh, respectively. The proposed adjustment would increase the Medium General Service access charge and energy charge to \$37.75 and \$0.09055 per kWh, respectively. The proposed adjustment would increase the energy charge for rates 10D, 81, and 82 to \$0.0962, \$0.0479, and \$0.0464 per kWh, respectively. The proposed rate adjustment would take effect on April 1, 2020. Board members and staff discussed the timing of implementation, impact to affected rate classes, and member education opportunities.

A motion approving a 2020 rate adjustment as presented was made by Mr. Brosious, duly seconded by Ms. Macys. Discussion was held regarding the approval of the rate adjustment and the approval of the 2020 budget. It was the consensus of the board to discuss the proposed 2020 Budget prior to acting on the foregoing motion.

13. 2020 Budget Presentation

Ms. Mahon presented the 2020 budget for board approval. Ms. Mahon noted that the budget includes an adjustment to rates as presented earlier in the meeting. Ms. Mahon added that, pending any further board recommendations, the budget is ready for approval.

The board resumed consideration Mr. Brosious's motion, as duly seconded by Ms. Macys to approve the 2020 rate adjustment as presented. The motion passed unanimously.

A motion approving the 2020 budget as presented was made by Mr. Rogers, duly seconded by Ms. Macys, and the motion passed unanimously.

14. Steamboat Springs Franchise Agreement Update

There was no discussion.

15. Energy Rebates Recommendation

Mr. Johnson presented a recommendation for a rebate program that would be owned and administered by YVEA. Mr. Johnson explained that the program would be a continuation of the Cen\$ible Energy program, which is currently administered by Yampa Valley Sustainability Council, with addition of YVEA's current Energy Hero program. Combining the two programs provides the opportunity to bring the administration of the Cen\$ible Energy program in-house and also provides the opportunity to increase funding for rebates and member education for both programs.

A motion authorizing the general manager to implement the program with the previously approved 2020 budget was made by Mr. Brosious and duly seconded by Mr. Delaney. Board members discussed evaluating and reporting on the programs' progress. A vote was taken, and the motion passed unanimously.

Director Ken Rogers left the meeting.

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 left the meeting.

16. Property Transactions

There were no transactions.

17. Luminate Broadband Transactions

There were no transactions.

COMMITTEE REPORTS

18. Policy Committee

The Policy Committee presented a proposed amendment to “Section 7. Removal of Directors and Officers,” of Article I of the YVEA Bylaws under consideration for submission to a vote of the YVEA the membership at the next annual meeting. The amendment would expand the current section to allow sanction and removal of a director by the board of directors under certain circumstances. The board discussed the various causes for removal and the process for removal of a director. The proposed revisions were submitted to legal counsel for further review and revision.

19. Finance Committee

There was no report.

OTHER ITEMS

20. Upcoming Meetings

There was no discussion.

21. Unfinished Business

Board members reviewed a proposed director confidentiality agreement. Board members discussed the conditions of the agreement and the option of converting the agreement to a board policy. The agreement will be further discussed at the December meeting.

22. New Business

There was no new business.

23. Executive Session

There was no additional executive session.

24. Adjournment

Chairman Tom Fox then declared this regular meeting adjourned at 5:00 p.m.

Chairman of the Board

Dated: December 10, 2019

Secretary of the Board

Dated: December 10, 2019