

Yampa Valley Electric Association, Inc.
Regular Meeting of Board of Directors
Tuesday, July 28, 2020
2211 Elk River Road
Steamboat Springs, Colorado

Chairman Tom Fox called the meeting to order at 10:00 a.m.

1. Call to Order

Upon calling roll, it was reported that the following were present at the Steamboat Springs office: Directors Tom Fox, Dean Brosious, Sonja Macys, Scott McGill, Jean Stetson, Ken Rogers, Patrick Delaney, General Manager Steve Johnson, Board Secretary Larissa Rock, General Counsel, Bryson Fredregill. The following Directors were present via video conference: Larry Ellgen, Glynda Sheehan.

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 COVID-19 response and business continuity; potential renewable energy and broadband asset acquisitions; broadband construction update, operations update, grant opportunities, and personnel matters; proposed Association bylaw amendments, and the 2020 Annual Meeting. Directors, General Manager, Board Secretary, and General Counsel were in attendance during such executive session. Mr. Brosious and Ms. Macys recused themselves for the portion of the meeting regarding potential renewable energy asset acquisitions. Such executive session convened at approximately 10:15 a.m.

A motion was made, duly seconded, and passed unanimously that the board of directors exit executive session, take a brief recess, and return to open session at approximately 12:00 p.m.

Finance Manager, Amy Mahon; Engineering Manager, Benj Hoffner; IT Manager, Kelli Root; Operations Manager, John Cromer; Member Services Supervisor, Kelli Richers; and HR Manager, Randi Owens entered the meeting via video conference. Member-owners Ms. Suzie Romig and Mr. Norm Weaver were present via teleconference.

3. Approval of Minutes

The board reviewed the minutes from the June 23, 2020 regular monthly board meeting.

A motion approving the minutes from June 23, 2020, as presented, was made by Ms. Macys, duly seconded by Ms. Stetson, and passed unanimously.

4. Member-owner Comment

Ms. Romig addressed the board with questions regarding the YVEA Energy Hero Program.

Mr. Weaver requested that redline versions of proposed bylaw amendments. Attorney Fredregill explained a letter explaining the proposed bylaw amendments will accompany the copies of the amendments which will be mailed to members along with the notice of annual meeting.

5. Director Comments

Board members and Mr. Johnson discussed the recent Routt County Communications report that included the announcement that a silver designation has been given by the SolSmart community to the City of Steamboat. Ms. Macys noted she would like to participate in SolSmart community discussions as a representative of YVEA. Mr. Fox noted that it is important for local government offices to engage YVEA prior to discussions or decisions that may require YVEA input.

Board members recognized YVEA staff for their continued proactive work during the COVID-19 pandemic.

Mr. Delaney noted that the utility pole replacement crew in the Hayden area was clean and efficient.

Board members and Mr. Johnson discussed the recent announcement from Tri-State regarding the Axial Basin Solar project, a 145-MW solar project in White River Electric Association's service territory in northwest Colorado.

Ms. Sheehan noted that crews working on the Baggs reconductor replacement project communicated well with landowners and the Baggs community.

Mr. Fox noted that he recently tested the Green Choice program. It was easy to apply and get on the program.

Mr. McGill noted that White River Electric board of directors offered their appreciation of the YVEA board, management, and staff for YVEA's assistance during the recent Streeter fire in the White River basin.

INFORMATION ITEMS

6. General Manager's Report

Mr. Johnson provided board members with an update on the Green Choice Program, noting that the program is available to small and medium general service classes.

Mr. Johnson updated the board on the Association's Power Purchase Agreement with Xcel Energy, noting that staff is working to obtain information from Xcel that can be reviewed by the board and discussed during strategic planning sessions.

Board members and Mr. Johnson discussed holding a strategic planning session prior to the 2020 Annual Meeting. Board members discussed the timing of the planning session, noting that 2021 budget planning will begin soon and will continue through December 2020. Board members agreed that holding a strategic planning session prior to September's annual meeting is preferred, with a summary of the session available to the membership. Mr. Johnson and Ms. Rock will reach out to facilitators and determine a schedule for the session.

Ms. Macys inquired as to the marketing campaign for the Green Choice program. Mr. Johnson noted that staff is working on a campaign, and members should contact Megan Moore-Kemp, Energy Solutions Supervisor, with questions.

7. Staff Reports

The Finance, Facilities, and Warehouse Report as prepared by Amy Mahon was reviewed and discussed. Ms. Mahon noted that there have been additional expenses due to COVID-

19, but overall controllable expenses are tracking fairly well. Board members and staff discussed the progress of the Steamboat campus warehouse construction project.

The Customer Service and Energy Solutions Report as prepared by Kathy Bertrand was presented by Kelli Richers. The report was reviewed and discussed. Ms. Richers noted that there has been a significant decrease in past due accounts since April 2020, adding that \$35,000.00 of the \$50,000.00 member relief fund has been utilized. Board members and staff discussed a recent outage near the Steamboat campus. A vehicle struck a utility pole, affecting power as well as traffic in the west Steamboat area.

The Workforce Report as prepared by Randi Owens was reviewed and discussed. Board members and staff discussed vacancies and separations within the company.

The Engineering Report as prepared by Benj Hoffner was reviewed and discussed. Board members and staff discussed current projects throughout the territory.

The Operations, Safety, and Fleet Report as prepared by John Cromer was reviewed and discussed. Board members and staff discussed current projects throughout the territory. Board members and staff discussed two near misses that occurred during the month of July. Board members and staff also discussed outages, noting that there have been fewer outages in 2020 than in 2018 and 2019, attributing much of the improvement to the commitment to invest in improving infrastructure.

The Information Technology Report as prepared by Kelli Root was reviewed and discussed. Board members and staff discussed the improvements made to the Association's technology infrastructure and training for incident response.

8. CREA

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

9. Western United

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

Board members and staff took a short break and then returned to open session.

ACTION AND DISCUSSION ITEMS

10. Acceptance of the Financial and Statistical Reports for June 2020

Board members and staff reviewed the unaudited financial and statistical reports from the month of June 2020, for YVEA. The board also reviewed the unaudited financial highlights for Luminate Broadband LLC.

Mr. Johnson noted that YVEA's Payment Protection Program application was approved. Mr. Johnson noted that Luminate Broadband had submitted an application which was also approved.

A motion approving the unaudited financial and statistical reports for the month of June 2020, was made by Mr. Brosious, duly seconded by Mr. Delaney, and the motion passed unanimously.

Mr. Johnson noted that the Luminate Broadband Craig ring and lateral construction is 90% complete and Hayden construction is 90% complete, adding that Hayden residents should be able to receive Luminate Broadband service in approximately two weeks.

11. 2020 Annual Meeting

Board members and staff discussed the current status of state and county COVID-19 restrictions in both Colorado and Wyoming and the effect such restrictions have on the

2020 Annual Meeting and director elections. Board members agreed that a risk assessment was necessary, and the topic will be discussed during executive session.

12. Property Transactions

There were no transactions.

COMMITTEE REPORTS

13. Policy Committee

There was no report.

14. Finance Committee

There was no report.

OTHER ITEMS

15. Upcoming Meetings

There was no discussion.

16. Unfinished Business

Board members discussed strategic planning. Ms. Macys suggested that the board and Mr. Johnson hold periodic updates and quarterly assessments. Board members discussed potential dates and timeframes for holding a strategic planning session. A straw poll was taken to determine whether to hold a strategic planning session prior to or after September's Annual Meeting. It was decided to hold a session prior to the Annual Meeting.

Mr. Brosious noted that a member asked about using solar energy to offset irrigation usage. Mr. Johnson noted that YVEA has not implemented the use of solar to offset irrigation usage.

17. New Business

Mr. Delaney noted that a member has requested that the board discuss assignability of capital credits, in the event that a business or organization dissolves, could their capital credits be assigned to another entity or member. Mr. Fredregill will research the specific request, and the item will be added to the agenda for discussion during the August regular monthly meeting.

18. 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 Association bylaw amendments, and the 2020 Annual Meeting. Directors, General Manager, Board Secretary, and General Counsel were in attendance during such executive session. Such executive session convened at approximately 3:15 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 3:49 p.m.

Mr. Fox noted that the 2020 Annual Meeting of Members will be held in-person at the Valley Community Center on Tuesday, September 22, 2020.

A motion to hold a virtual annual meeting with in-person voting via ballot drop-off and registration in the YVEA Steamboat Springs campus parking lot was made by Ms. Macys. The motion was duly seconded by Mr. Delaney. A vote was taken, and the motion failed with four directors in favor and five directors opposed.

19. 2020 Bylaw Amendments

Resolution 20-06: Proposing Amendments to Section 7, Article I and Section 2, Article III of the YVEA Bylaws for Submission at 2020 Annual Meeting: Board members and Mr. Fredregill reviewed and discussed resolution 20-06. Mr. Fredregill noted that Resolution 20-06 mirrors Resolution 20-01, except that the annual meeting where the proposed amendments will be submitted to a vote of the members voting in person is changed to reflect the new annual meeting date of September 22, 2020. A motion approving resolution 20-06 as presented was made by Mr. Brosious, duly seconded by Mr. Delaney, and the motion passed unanimously.

Resolution 20-07: Proposing Amendments to Article XIV of the YVEA Bylaws for Submission at 2020 Annual Meeting: Board members and Mr. Fredregill reviewed and discussed resolution 20-07. The resolution will provide expanded options to vote on bylaw amendments via mail. A motion approving resolution 20-07 with minor legal language revisions was made by Mr. Delaney, duly seconded by Ms. Stetson, and the motion passed unanimously.

Resolution 20-08: Amendments to Section 5 and 8 of Article II: Board members and Mr. Fredregill reviewed and discussed resolution 20-08: The resolution provides board-approved companion amendments to those submitted to the membership under Resolution 20-07. Mr. Fredregill recommended the board table action on Resolution 20-08 until the results of the member vote on the amendments proposed under Resolution 20-07 are known. Board members will table consideration of Resolution 20-08 until after the 2020 Annual Meeting.

20. 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 potential renewable energy asset acquisitions. Directors, General Manager, Board Secretary, and General Counsel were in attendance during such executive session. Mr. Brosious and Ms. Macys recused themselves from such executive session. Such executive session convened at approximately 4:05 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 4:45 p.m.

21. Adjournment

A motion to adjourn this meeting of the directors of Yampa Valley Electric Association, Inc., was made, duly seconded, and passed unanimously. Chairman Tom Fox then declared this regular meeting adjourned at 4:45 p.m.

Chairman of the Board

Dated: August 25, 2020

Secretary of the Board

Dated: August 25, 2020