

Yampa Valley Electric Association, Inc.
Regular Meeting of Board of Directors
Tuesday, February 25, 2020
2211 Elk River Road
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, Sonja Macys, Scott McGill, Glynda Sheehan, Jean Stetson, Larry Ellgen, Patrick Delaney, and Ken Rogers. Also present were General Manager, Steve Johnson; General Counsel, Bryson Fredregill; and Board Secretary, Larissa Rock.

Mr. Johnson noted that the Member Outreach department has been renamed Energy Solutions. Mr. Johnson gave an overview of the structure and goals of the department.

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 broadband development, property development, asset acquisitions, renewable energy project opportunities, and the franchise agreement and telecom license negotiations with the City of Steamboat Springs. Directors, General Manager, Board Secretary, and General Counsel were in attendance during such executive session. Such executive session convened at approximately 9:00 a.m.

Director Macys left the executive session before discussion of the Steamboat Springs Franchise Agreement and Telecom License.

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; Member Services Manager, Kathy Bertrand; IT Manager, Kelli Root; and Operations Manager, John Cromer entered the meeting.

3. Approval of Minutes

The board reviewed the minutes from the January 28, 2020 regular monthly board meeting.

It was recommended prior to approval of the minutes that the minutes be corrected to record a comment to consider providing materials from open session to members in attendance, noting that no decisions were made during the discussion. A motion approving the minutes from January 28, 2020, as amended, was made by Ms. Sheehan, duly seconded by Ms. Macys, and passed unanimously.

4. Member-owner Comment

The board welcomed member-owners, Scott Conner, Suzie Romig, Jeff Troeger, and Michelle Stewart to the meeting. Mr. Conner introduced Ms. Michelle Stewart. The board welcomed Ms. Stewart who announced she is the new executive director for Yampa

Valley Sustainability Council. Mr. Troeger addressed the board with a suggestion to form a member advisory committee, and also noted that rate information is difficult to find on the current website. Ms. Romig noted that she is looking forward to reviewing the strategic planning documents when they are published online. Mr. Conner added that he would like to suggest allowing the process for voting on bylaw amendments to be similar to the process for voting on directors.

5. Director Comments

Board members discussed the CREA annual meeting held in Denver from February 8, 2020 - February 11, 2020.

Mr. Delaney thanked Mr. Cromer and the line crew for repairing the twelve lights in Ski Time Square.

Mr. Brosious requested that the board consider discussion regarding options that would allow irrigators to offset against their irrigation bill when buying into solar array.

Mr. McGill suggested updating the current CREA representatives.

Ms. Macys noted that three different entities: Ski Corp, Hot Springs, and Humble Ventures are interested in partnering with YVEA on renewable projects. Mr. Fox added that the board did have a robust conversation in executive session with regard to renewable energy project opportunities.

INFORMATION ITEMS

6. General Manager's Report

There was no report.

7. Staff Reports

The Financial Stability Report as prepared by Amy Mahon was reviewed and discussed. Ms. Mahon noted a Tesla Model 3 has been purchased and will be added to the fleet within the next few months.

The Customer Service Report as prepared by Kathy Bertrand was reviewed and discussed.

The Workforce Planning Report as prepared by Steve Johnson was reviewed and discussed.

The Engineering Report as prepared by Benj Hoffner was reviewed and discussed. Board members and staff discussed communication challenges with Xcel Energy.

The Operations Report as prepared by John Cromer was reviewed and discussed.

The Safety Report as prepared by Kevin Inman was presented by John Cromer. The report was reviewed and discussed.

The Information Technology Report as prepared by Kelli Root was reviewed and discussed.

8. 2019 Member Survey Results

Mr. Johnson presented the results of the 2019 member survey. Board members and staff discussed the results of the survey. Mr. Johnson noted that the survey will be available on YVEA's website, www.yvea.com.

Mr. Conner and Ms. Stewart left the meeting.

9. CREA

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

10. Western United

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

Engineering Manager, Benj Hoffner; IT Manager, Kelli Root; Member Services Manager, Kathy Bertrand; and Operations Manager, John Cromer left the meeting.

ACTION AND DISCUSSION ITEMS

11. Review of the Financial and Statistical Reports for December 2019

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

Mr. Johnson noted that the auditors have completed their initial review of 2019 and their initial response is that the audit was positive and clean. The auditors plan to present the results of the audit during April's regular monthly meeting.

12. Review of the Financial and Statistical Reports for January 2020

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

13. Ratification of 2020 Rate Adjustments Approved at the January 28, 2020 Meeting

Board members reviewed the rate adjustments that were approved during the January 28, 2020 regular monthly board meeting, including changes the Medium General Service access charge, and the energy rates for rates 10D and 82. A motion to ratify the rate adjustments approved during the January 29, 2020 meeting as presented in was made by Ms. Stetson, duly seconded by Ms. Macys, and the motion passed unanimously.

14. Approval of the Proposed Franchise Agreement with the City of Steamboat Springs

The board reviewed and discussed the proposed franchise agreement with the City of Steamboat Springs.

A motion to approve the proposed franchise agreement with the City of Steamboat Springs as presented was made by Mr. Brosious, duly seconded by Mr. McGill, and the motion passed with Ms. Macys abstaining from the discussion and the vote.

15. Approval of the Proposed Telecommunications License with the City of Steamboat Springs

The board reviewed and discussed the proposed Telecommunications License with the City of Steamboat Springs.

A motion to approve the proposed Telecommunications License with the City of Steamboat Springs was made by Ms. Stetson, duly seconded by Mr. Brosious, and the motion passed with Ms. Macys abstaining from the discussion and the vote.

16. Approval of the Proposed YVEA Election Policy

The board reviewed and discussed the proposed YVEA election policy as presented by the policy committee. Mr. Fredregill noted that revisions and recommendations based on bylaw requirements have been incorporated into the proposed policy.

Mr. Fox granted Ms. Romig an opportunity to address the board. Ms. Romig requested on behalf of member-owner Catherine Carson, who was not able to be present at the meeting, that the document be made public prior to board approval. Mr. Fredregill noted that the policy will be published to the website post-approval, adding that anytime any member has an issue with the published policy they are welcome to attend the regular monthly board meeting and express their opinion during public comment. Board members added that policies are created with members' best interest in mind and that this policy, as is required, will be publicly available once approved.

Mr. Troeger left the meeting.

Ms. Mahon left the meeting.

Discussion followed regarding revisions to section 3.2, the mailing of the notice of annual meeting.

A motion approving the YVEA Election Policy, with the revision of section 3.2 as discussed, was made by Mr. Brosious, duly seconded by Mr. Delaney. Discussion followed regarding revisions to section 7.4, the process for determining a tiebreaker. No revisions were requested. A vote on the motion was taken and the motion passed unanimously.

17. Authorization to submit proposed amendments to Section 7 of Article I and Section 2 of Article III of the YVEA Bylaws to a vote of the members present at the June 23, 2020 Annual Meeting of the Members

The board reviewed and discussed a draft bylaw amendment. The proposed draft amendment outlines the qualifications to become a director, and the process for removal of a director. It was agreed to further revise section 7.1, changing "company policy" to "board policy".

A motion approving the submittal of proposed amendments to Section 7 of Article I and Section 2 of Article III of the YVEA Bylaws to a vote of the members present at the June 23, 2020 Annual Meeting of the Members as revised was made by Mr. Brosious, duly seconded by Ms. Stetson. Discussion followed regarding further revisions to sections pertaining to removal of a director as well as qualifications to become a director.

A vote on the motion was taken and the motion passed with Mr. Delaney and Ms. Macys opposed.

Ms. Romig left the meeting.

18. Approval of Director Confidentiality Agreement

The board reviewed and discussed a director confidentiality agreement.

A motion to approve the director confidentiality agreement as presented was made by Ms. Sheehan, duly seconded by Mr. Delaney, and the motion passed with Mr. McGill opposed.

19. USDA Rural Development ReConnect Funding Request Resolution

The board reviewed and discussed a USDA ReConnect Funding Request Resolution. The resolution authorizes staff to apply to the USDA Rural Development ReConnect program for a grant of up to \$18,750,000.00 to be used for broadband middle-mile build-out projects, which grant is contingent upon YVEA providing matching funds of up to \$6,250,000.00. Mr. Johnson noted that should the full \$18,750,000.00 be requested and awarded, YVEA will meet its matching obligation of \$6,250,000.00 with the proceeds from the a previously approved CFC loan.

A motion to approve the resolution was made by Ms. Macys, duly seconded by Mr. Ellgen, and the motion passed unanimously.

20. Property Transactions

There were no transactions.

21. Luminate Broadband Transactions

There were no transactions. Mr. Johnson provided the board with a brief demonstration of the www.luminatebroadband.com website.

COMMITTEE REPORTS

22. Policy Committee

There was no report.

23. Finance Committee

There was no report.

OTHER ITEMS

24. Upcoming Meetings

The board discussed moving the April regular monthly board meeting from the fourth Tuesday in April to the fourth Thursday in April. Ms. Rock will draft a resolution formalizing the date change to be presented at the March regular monthly board meeting for approval.

25. Unfinished Business

Ms. Macys requested that directors consider releasing board meeting documents to members present at board meetings. Directors discussed the topic further and agreed to test different methods of releasing non-confidential board meeting documents at future regular monthly board meetings.

Mr. Brosious requested that the board consider discussion regarding options that would allow irrigators to offset against their irrigation bill when buying into solar array. Mr. Johnson noted that current state statute prevents the offset, adding that he and staff will research this topic.

26. New Business

There was no new business.

27. Executive Session

There was no additional executive session.

28. 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 4:00 p.m.

Chairman of the Board

Dated: March 24, 2020

Secretary of the Board

Dated: March 24, 2020