

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

Chairman Tom Fox called the meeting to order at 10:15 a.m.

**1. Call to Order**

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

**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; COVID-19 response and business continuity, including the 2020 YVEA Annual Meeting; and discussion regarding a proposed bylaw amendment. Directors, General Manager, Board Secretary, and General Counsel were in attendance during such executive session. 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 and return to open session at approximately 12:30 p.m.

Finance Manager, Amy Mahon; Engineering Manager, Benj Hoffner; IT Manager, Kelli Root; Operations Manager, John Cromer; Member Services Manager, Kathy Bertrand; and HR Manager, Randi Owens entered the meeting via video conference.

Member-owner Mr. Norm Weaver Ms. Catherine Carson joined the meeting via conference call.

**3. Approval of Minutes**

The board reviewed the minutes from the March 24, 2020 regular monthly board meeting.

A motion approving the minutes from March 24, 2020, as presented, was made by Ms. Macys, duly seconded by Ms. Stetson, and passed unanimously.

**4. Member-owner Comment**

There were no member owner comments. Directors answered questions asked by Mr. Weaver regarding YVEA 2020 annual meeting plans and potential bylaw amendments.

**5. Director Comments**

Board members discussed adherence to the 12:00 pm start time of open session. Directors congratulated Mr. Rogers, Mr. Delaney, and Ms. Macys on earning their Credentialed Cooperative Director certifications through the NRECA director education program. Mr.

Johnson offered a brief overview of research supporting the use of Radio Frequencies for telecommunications.

## **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.

The Customer Service and Energy Solutions Report as prepared by Kathy Bertrand was reviewed and discussed. Ms. Bertrand noted that the standby generator program is currently on hold while staff finalizes the details of the program. Board members and staff discussed delinquency reporting related to COVID-19.

Engineering Report as prepared by Benj Hoffner was reviewed and discussed. Board members and staff discussed various construction projects throughout the territory. Board members congratulated Mr. Hoffner and staff on finalizing the distribution construction standards. Board members and staff discussed the engineering internship program. Mr. Hoffner noted that two interns will be mentored during the coming months.

The Operations and Safety Report as prepared by John Cromer was reviewed and discussed. Board members and staff discussed the vegetation management program. Mr. Cromer noted that crews have been able to successfully trim all problem areas throughout Craig and Hayden and will next be moving to the Steamboat area.

The Information Technology Report as prepared by Kelli Root was reviewed and discussed. Ms. Root noted that YVEA staff has been successfully transitioned to work-from-home technology, in response to COVID-19.

### **8. CREA**

Mr. McGill noted there was no meeting.

### **9. Western United**

Mr. McGill noted there was no meeting.

Member-owner Mr. Jeff Troeger joined the conference call.

## **ACTION AND DISCUSSION ITEMS**

### **10. Acceptance of the Financial and Statistical Reports for December 2019; January, February, and March 2020**

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

A motion approving the audited financial and statistical reports for the month of December 2019, was made by Mr. Brosious, duly seconded by Ms. Stetson, and the motion passed unanimously.

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

A motion approving the unaudited financial and statistical reports for the months of January, February, and March 2020, was made by Mr. Rogers, duly seconded by Ms. Stetson, and the motion passed unanimously.

**11. Resolution 20-05: Approval of Allocation of Capital Credits**

Board members reviewed staff's request for allocation of \$3,255,889.85 from the 2019 margins, and retirement of \$1,627,944.93, or 50% of unretired capital credits, being retired from a portion of the unpaid capital credits accrued for the calendar year 2002 and 2003.

A motion approving the allocation of \$3,255,889.85 from the 2019 margins, and retirement of \$1,627,944.93, or 50% of unretired capital credits, being retired from a portion of the unpaid capital credits accrued for the calendar year 2002 and 2003, was made by Ms. Macys, duly seconded by Mr. Ellgen, and the motion passed unanimously.

Mr. Bob Beam, from Bolinger, Segars, Gilbert & Moss, L.L.P., joined the conference call.

**12. 2019 Audit Presentation**

Mr. Beam provided a comprehensive overview of the 2019 consolidated audit report, noting that staff was able to provide all documentation necessary to complete a clean, successful audit. Mr. Beam and board members discussed the financial reporting relationship between YVEA and Luminare Broadband.

Mr. Beam left the meeting. Ms. Catherine Carson joined the conference call.

Mr. Fox opened the floor for member comments to members who were unable to attend the public comment portion of the meeting. Ms. Carson addressed the board with suggestions for member voting during director elections as well as suggestions for holding virtual meetings.

**13. COVID-19 Economic Relief Fund Plan Review and Ratification of Approval of the \$50,000.00 Allocated**

Manager Johnson discussed the COVID-19 Economic Relief established by informal authorization from the board. Johnson discussed fund implementation. A motion ratifying the allocation of \$50,000.00 to the COVID-19 Economic Relief Fund was made by Mr. McGill, duly seconded by Ms. Macys, and the motion passed unanimously.

A motion approving 2019 Audit Report, as presented, was made by Mr. Brosious, duly seconded by Ms. Sheehan, and the motion passed unanimously.

IT Manager, Kelli Root; Member Services Manager, Kathy Bertrand; HR Manager, Randi Owens; and Operations Manager, John Cromer left the meeting.

**14. Review and Impact Analysis of Lighting Tariffs**

Board members and staff reviewed staff's detailed analysis of the proposed area and street lighting tariffs, including existing revenue, proposed revenue, locations, and devices. Staff will present the finalized proposed tariff and related advice letter during May's regular monthly board meeting.

**15. Families First Coronavirus Response Act Review**

The board reviewed information published by the United States Department of Labor, regarding employment law and employee paid leave rights under the Families First Coronavirus Response Act.

**16. SBA Paycheck Protection Program**

Mr. Johnson provided an overview of the paycheck protection funding program offered by the Small Business Administration, noting that staff has applied for assistance for Luminare Broadband, and has prepared an application for YVEA but is waiting for approval to apply, pending a US Treasury decision regarding eligibility of electric cooperatives.

## **17. 2020 YVEA Annual Meeting**

Board members, staff, Mr. Johnson, and Mr. Fredregill discussed at length options for holding the 2020 YVEA Annual Meeting of Members and director elections. Mr. Fox recused himself from the discussion. Mr. Johnson noted that his concern during this unprecedented global pandemic is for the welfare of the company, adding that with the anticipated financial and economic impact to the company as a result of the pandemic, the focus of the board should be on the security and safety of the company. Ms. Macys added that members will tolerate some flexibility but extending director terms or canceling a director election poses an area of risk and exposure. Discussion was held regarding holding a mail-only director election, postponing the election and/or annual meeting, cancelling the meeting and election, holding a virtual meeting and/or election, and the logistics and legal considerations involved in each scenario.

A motion to proceed with a virtual annual meeting to be held on June 23, 2020, at the regularly scheduled time and that notification and information to be sent to members encouraging participation that is either via internet or telephone, mail-only voting, and postponing consideration of any proposed bylaw amendments until 2021, was made by Mr. Delaney, and duly seconded by Ms. Macys. Mr. Fox recused himself from the discussion. Discussion was held regarding virtual meeting technology and planning, the member registration process, quorum determination, and public comment process. A vote was taken, and the motion failed with two in favor, six opposed, and Mr. Fox abstaining from the vote.

A motion to postpone the 2020 YVEA Annual Meeting of Members and associated director elections for 90 days if there is a contested director district, or, if there are no contested director districts, to cancel the 2020 Annual Meeting of the Members and associated director elections was made by Mr. Brosious and duly seconded by Ms. Sheehan, with Mr. Fox, Ms. Stetson, and Mr. Ellgen recusing themselves from discussion. Discussion followed regarding the logistics and risks associated with postponing the meeting and election. Mr. Fredregill noted that the recommended terms of directors elected in 2020 would be approximately 2 years and 9 months if future meetings continue to be held in June.

Mr. Brosious amended his motion, moving to postpone the 2020 YVEA Annual Meeting of Members and director election for 90 days and retain the current director candidate petition submittal deadline of May 8, 2020 if there is a contested director district, or, if there are no contested director districts, to cancel the 2020 Annual Meeting of the Members and associated director elections. The motion was duly seconded by Mr. McGill, and the motion passed with Mr. Delaney and Ms. Macys opposed, and with Mr. Fox, Ms. Stetson, and Mr. Ellgen recusing themselves from the vote.

Mr. Hoffner and Ms. Mahon left the meeting.

## **18. Property Transactions**

There were no transactions.

## **19. Luminare Broadband Transactions**

Mr. Fredregill explained that staff seeks approval for the board chair to execute a network operator agreement between YVEA and Luminare Broadband. Mr. Johnson noted that network operations are currently being performed NRTC under contract, but a third-party asset manager presents challenges.

A motion approving the board chair to execute on behalf of YVEA a network operator agreement with Luminare Broadband was made by Mr. Rogers, duly seconded by Ms. Stetson, and the motion passed unanimously.

## **COMMITTEE REPORTS**

**20. Policy Committee**

There was no report.

**21. Finance Committee**

There was no report.

**OTHER ITEMS**

**22. Upcoming Meetings**

Mr. Fox noted that May’s regular monthly board meeting will be held via video conferencing and conference call.

**23. Unfinished Business**

Mr. Johnson noted that the franchise agreement and telecommunications agreement with the City of Steamboat Springs have both been fully signed and executed.

Mr. McGill noted that board committees will meet for emergency purposes only.

**24. New Business**

Board members and Mr. Fredregill discussed the general process of handling member non-payments and bankruptcies.

**25. 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 litigation and confidential member information. Directors, General Manager, Board Secretary, and General Counsel were in attendance during such executive session. Such executive session convened at approximately 4:15 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 4:30 p.m.

A motion authorizing the general manager to investigate the purchase of, and execute an agreement to purchase, a solar asset was made by Mr. Ellgen, duly seconded by Ms. Macys, and the motion passed unanimously.

**26. 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 4:30 p.m.

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Chairman of the Board

Dated: May 26, 2020

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Secretary of the Board

Dated: May 26, 2020