

Yampa Valley Electric Association, Inc.
Regular Meeting of Board of Directors
Wednesday, March 21, 2018
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, Larry Ellgen, Frank Roitsch, Russell Garrity, Glynda Sheehan, Scott McGill, and Jean Stetson. Also present were General Counsel, Bryson Fredregill; General Manager, Diane Johnson; Operations Manager, Steve Johnson; Finance Manager, Amy Mahon; Member Services Manager, Kathy Bertrand; Human Resources Manager, Randi Owens; Board Secretary, Larissa Rock. Minutes through item 18 were recorded by Ms. Rock. Minutes from item 19 to adjournment were recorded by Mr. Fredregill

2. Executive Session

A motion was made, duly seconded, and passed unanimously that the board of directors go immediately into an executive session to consider documents and testimony given in confidence, and the general topics of such executive session were to discuss and consider pending and potential property negotiations, personnel matters, contract negotiations, the proposed Craig Service Center remodel, general manager succession planning/interviews and consults with general counsel. Board members in attendance at the meeting and General Counsel were in attendance during the entire executive session. Steve Johnson, Amy Mahon, Jay Krist, and guest, Ed Becker were in attendance during portions of such executive session. Such executive session convened at approximately 9:30 a.m. Due to the fact that the board did not complete discussion of the items scheduled for executive session prior to the informally scheduled start of item 3, the board deferred further discussion of the items listed above until after completion of item 18. A motion was made, duly seconded, and passed unanimously that the board of directors exit the executive session and return to open session at approximately 1:00 p.m.

3. Approval of Minutes

A motion approving the amended minutes from February 21, 2018, was made, duly seconded, and passed unanimously. Board members briefly discussed and agreed to modify the opening block of the monthly minutes beginning with the March monthly board meeting.

4. Member-Owner Comments

There were no Member-owners present. Mr. Fox noted that should a member arrive, the board will revisit this item and allow the member the opportunity to address the board.

5. Director Comments

Mr. Roitsch noted that he recently spoke with Doug Monger, Senior County Commissioner for Routt County. Mr. Monger extended his compliments to Mr. Johnson and Ms. Johnson for their work on the northwest Colorado broadband project.

Mr. McGill noted that he attended the NRECA annual meeting, held in February in Nashville, Tennessee. Mr. McGill noted the meeting is much improved over past meetings.

Mr. Garrity noted that board members should discuss the possibility of creating an internal policy regarding the dissemination of information from meetings to other board members.

Mr. Fox noted that he visited briefly recently with Mr. Karl Hanlon, who is currently vying to represent the third Congressional district in Colorado.

INFORMATION ITEMS

6. Staff Reports

March staff reports were tabled and will be discussed during April's regular monthly board meeting.

7. 2017 Reliability Report

Mr. Johnson presented the 2017 Reliability report. The report summarized the Association's service reliability and quality on its distribution system in 2017. The report analyzed the Association's system using operations history over previous years and compared it to industry IEEE standards. Board members and staff discussed ways to allocate for unexpected projects.

8. CREA

Mr. McGill noted that he had previously distributed his CREA meeting notes to board members via email.

9. Western United

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

10. RMEL

There was no RMEL report.

COMMITTEE REPORTS

11. Policy Committee

There was no discussion.

ACTION ITEMS

12. Acceptance of the Financial and Statistical Reports

Ms. Mahon presented financial highlights from the months of December 2017, and January and February 2018, to the board. A motion accepting financial and statistical reports for December, January, and February, was made by Ms. Stetson, duly seconded by Ms. Sheehan, and carried with a unanimous vote.

13. Acceptance of the 2017 Audit

Ms. Stetson congratulated staff for a successful audit. Ms. Stetson noted that the auditors brought to the Finance Committee's attention a recommendation for adjusting accounting formula utilized for the Power Cost Adjustment, as well as a Financial Accounting Standards Board (FASB) standard accounting adjustment that will apply in 2018. Ms. Stetson also noted that the Association's debt to equity ratio is favorable in comparison to the cooperative standard.

Ms. Stetson moved to accept the 2017 audit as presented. Mr. Roitsch duly seconded Ms. Stetson's motion. Mr. Fox opened the floor for discussion. Mr. McGill noted that if a committee makes motion it doesn't need a second. The 2017 audit was accepted as presented.

14. Finance Committee

Ms. Stetson noted that the committee will be meeting in the future, but no date is set. Board members and staff discussed the timing of the financial reporting cycle and the monthly board meetings, noting that at times it is difficult to report on monthly financials because they are not finalized in time for the meeting. A resolution to move the date of the monthly board meeting will be presented at the April board meeting.

15. Property Transactions

There were no Property Transaction items.

16. Craig Service Center Staffing and Building Discussion

Mr. Fox opened the floor for discussion regarding the remodeling and staffing of the Craig Service Center location. A motion to proceed with obtaining architectural design drawings and working models for the Craig Service Center, with a budget of \$100,000.00, was made by Mr. Roitsch, duly seconded by Mr. Ellgen, and carried with a unanimous vote.

17. Staff Report: Financial Stability

Board members discussed the results of a recent Steamboat Springs area financial impact study. Board members discussed the concept of constructing a centralized community solar garden. Ms. Stetson noted that more tariff and policy information on the topic is needed. Staff will bring related tariff information to the board in April.

PENDING APPROVAL ITEMS

There were no Pending Approval Items.

OTHER ITEMS

17. Unfinished Business

There was no Unfinished Business.

18. New Business

There was no New Business.

19. Executive Session

A motion was made, duly seconded, and passed unanimously that the board of directors go immediately into an executive session to consider documents and testimony given in confidence, and the general topics of such executive session were to discuss and consider personnel matters, contract negotiations, general manager succession planning/interviews and consult with general counsel. Board members and General Counsel were in attendance for the entire executive session with the exception of Mr. Brosius, who exited the meeting at approximately 4:10 p.m. Benj Hoffner and Steve Johnson were in attendance during portions of such executive session. General Counsel, Levi Williamson, was in attendance via telephone conference during portions of such executive session. Such executive session convened at approximately 2:40 p.m. A motion was made, duly seconded, and passed unanimously that the board of directors to exit the executive session and return to open session at approximately 6:38 p.m.

A motion to authorize the Chairman of the Board, Tom Fox, or in his absence, the Vice Chairman, Larry Elgin, to negotiate and execute a buyout of the current general manager's contract under the terms discussed in executive session was made, duly seconded, and passed unanimously.

A motion to authorize the Chairman of the Board, Tom Fox, or in his absence, the Vice Chairman, Larry Elgin, to appoint Steve Johnson as the new general manager under the terms discussed in executive session, was made, duly seconded, and passed unanimously.

19. Adjournment

A motion to adjourn this regular meeting of the directors of Yampa Valley Electric Association, Inc., was made, duly seconded, and passed unanimously. The Chairman then declared this regular meeting adjourned at 6:43 p.m.

Chairman of the Board

Dated: April 18, 2018

Secretary of the Board

Dated: April 18, 2018

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