

Yampa Valley Electric Association, Inc.
Regular Meeting of Board of Directors
Tuesday, March 26, 2019
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, Larry Ellgen, Pat McClelland, Scott McGill, Frank Roitsch, Glynda Sheehan, Ken Rogers, and Jean Stetson. Also present were General Counsel, Bryson Fredregill; General Manager, Steve Johnson; Finance Manager, Amy Mahon; and Board Secretary, Larissa Rock.

2. Introduction of Manager of Broadband Services

Mr. Johnson introduced Alan Van Buskirk, manager of broadband services. Mr. Van Buskirk provided the board with a brief history of his experience in the broadband industry.

3. EV Charging Program

Board members discussed electric vehicle charging stations. Mr. Johnson noted that the Association has been awarded grant dollars to assist in building electric vehicle charging stations at both Craig and Steamboat campuses. Mr. Johnson added that the Association is a Wyoming FEMA grant pool finalist, which is a \$350,000 grant opportunity.

4. 2018 Audit Presentation and Approval

Ms. Mahon joined the meeting. A conference call was held with Bob Bean from the CPA audit firm of Bolinger, Segars, Gilbert, & Moss, LLP, to discuss the 2018 audit.

Mr. Bean provided a comprehensive overview of the audit, noting a recommendation for adjusting the accounting formula utilized for the Power Cost Adjustment. Mr. Bean also noted that the Association's debt to equity ratio is favorable in comparison to the cooperative standard.

A motion approving the 2018 audit as presented was made by Mr. McClelland, duly seconded by Ms. Stetson, and the motion passed unanimously.

Mr. Fox congratulated Ms. Mahon and staff for a successful audit.

Ms. Mahon noted that the Association will switch audit partners every three years, adding that the next year to switch partners will be 2020. Board members discussed switching firms as well and the consensus was to retain the current audit firm.

5. 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 General Manager's Report, Broadband development, personnel matters, and Craig and Steamboat campus renovations. Board members, General Manager, Board Secretary, and

General Counsel were in attendance during such executive session. Board Secretary Larissa Rock excused herself from a portion of the meeting. Such executive session convened at approximately 9:45 a.m. A motion was made, duly seconded, and passed unanimously that the board of directors exit executive session and take a brief recess at approximately 1:00 p.m. A motion was made, duly seconded, and passed unanimously that the board of directors return to open session at approximately 1:30 p.m.

Engineering Manager, Benj Hoffner; IT Manager, Kelli Root; Human Resources Manager, Randi Owens; Operations Manager, John Cromer; Member Services Manager, Kathy Bertrand; and Broadband Manager, Alan Van Buskirk joined the meeting.

6. Approval of Minutes

The board reviewed the minutes from the February 26, 2019 regular monthly board meeting.

A motion approving the minutes from February 26, 2019, as presented, was made by Mr. McClelland, duly seconded by Mr. Ellgen, and passed unanimously.

7. Member-Owner Comments

The board welcomed Patrick Delany to the meeting.

8. Director Comments

Board members and staff discussed the NRECA Annual Meeting.

Mr. Roitsch noted that he attended a community meeting at the Granary in Hayden. Representative Dylan Roberts spoke to those in attendance. Mr. Roitsch noted that he expressed his personal concern at the meeting that he is against legislation that may put Tri State and various cooperatives under PUC regulation.

Mr. Fox noted that he attended his first Yampa Valley Sustainability Council meeting. Mr. Fox added the meeting was interesting and his goal is to more frequently attend their meetings.

INFORMATION ITEMS

9. 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 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 Safety report as prepared by Kevin Inman was presented by Randi Owens. The report was reviewed and discussed.

10. CREA

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

11. Western United

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

ACTION ITEMS

12. Acceptance of the Financial and Statistical Reports for December 2018; January, February 2019

Board members and staff reviewed the audited financial highlights from the months of December 2018, January 2019, and February 2019.

A motion accepting the financial and statistical reports from the months of December 2018, January 2019, and February 2019, was made by Mr. Brosious, duly seconded by Mr. Ellgen, and the motion passed unanimously.

13. Approval of the Financial Policy Statement

Board members reviewed and discussed the Financial Policy Statement presented by the Finance Committee.

A motion approving the financial policy as presented was made by Mr. Ellgen, duly seconded by Mr. McGill and the motion passed unanimously.

14. Amendment to Articles of Incorporation

There was no amendment or discussion.

15. Amendment to Association Bylaws

The board reviewed a Resolution Approving Amendment to the Bylaws amending Article II Section 4 of the Bylaws. Upon approval of the resolution Article II, Section 4 of the Bylaws will read in its entirety as follows:

“A quorum for the election of Directors, amending of the Articles of Incorporation, and conducting normal business at all meetings of the members shall be five percent (5 %) of the members or fifty (50) members present in person, whichever is less. If less than a quorum is present at any meeting of members, a majority of members present in person may adjourn the meeting to a date, time, and place certain.”

A motion approving the Resolution Approving Amendment to the Bylaws as presented was made by Ms. Sheehan, duly seconded by Mr. Roitsch, and the motion passed with a unanimous vote.

16. Property Transactions

There were no transactions.

17. Broadband Discussion

A motion authorizing the extension of the letter of intent for acquisition of broadband assets under the terms discussed in executive session was made by Mr. Ellgen, duly seconded by Mr. McClelland, and the motion passed with a unanimous vote.

The board reviewed the Resolution Appointing General Manager Steve Johnson as Manager of Luminate Fiber LLC and Adopting Operating Agreement. A motion approving the Resolution Appointing General Manager Steve Johnson as Manager of Luminate Fiber LLC and Adopting Operating Agreement as presented was made by Mr. Ellgen, duly seconded by Mr. McClelland, and the motion passed with a unanimous vote.

18. Project THOR Meet Me Center Host Agreement

A motion authorizing the general manager to enter into a Meet Me Center Host Agreement with the Northwest Colorado Council of Governments for Project THOR subject to legal review of said agreement was made by Mr. McGill, duly seconded by Mr. Rogers, and the motion passed with a unanimous vote.

A motion approving an increase in the general manager's compensation package under the terms discussed in executive session was made by Mr. Ellgen, duly seconded by Ms. Sheehan, and the motion passed with a unanimous vote.

A motion authorizing the board chair to execute, on behalf of both YVEA and Luminate Fiber LLC, consents to Williamson and Associates, Ltd.'s conflict of interest in representation of both YVEA and Luminate Fiber LLC, as said consents were presented in executive session, was made by Ms. Stetson, duly seconded by Mr. Brosious, and the motion passed unanimously.

Mr. McGill disclosed a potential conflict of interest concerning the Association's potential acquisition of specific broadband assets discussed in executive session.

A motion authorizing the general manager to sign a lease agreement with Luminate Fiber LLC and other potential lessees was made by Mr. Brosious. Board members discussed the action of the general manager of one entity signing for a lease and also representing the tenant in the agreement. The motion was amended to authorize the board chair to execute a lease agreement with Luminate Fiber LLC, pending tenant finishes. Mr. Brosious' motion was duly seconded by Mr. McClelland, and the motion passed unanimously.

COMMITTEE REPORTS

19. Policy Committee

Policy 2-3

The board reviewed revised Board Policy 2-3. The policy was further revised by legal counsel to correct the formatting of Colorado Revised Statutes under Policy Statement, and to add first class mail return receipt to section 16.

Policy 2-7

The board reviewed revised Board Policy 2-7. The formatting of section 1B was further revised by legal counsel.

Policy 2-8

The board reviewed revised Board Policy 2-8. The policy was further revised by legal counsel to include a limit of up to \$1000.00 for tampering fees.

Policy 2-11

The board reviewed revised Board Policy 2-11. No further revisions were proposed to the presented revised policy.

Policy 5-2

The board reviewed revised Board Policy 5-2. No further revisions were proposed to the presented revised policy.

Policy 5-3

The board reviewed Board Policy 5-3. No changes were proposed to the current policy.

Policy 5-5

The board reviewed revised Board Policy 5-5. The policy was pulled for further discussion.

Policy 5-6

The board reviewed Board Policy 5-6. No changes were proposed to the current policy.

Policy 5-7

The board reviewed Board Policy 5-7. No changes were proposed to the current policy.

Policy 5-8

The board reviewed revised Board Policy 5-8. The policy was further revised by legal counsel to change “Colorado Revised Statutes and federal laws” to “as required by law”.

Board members discussed and proposed further revisions to Board Policy 5-5. The board discussed current state statute regarding the release of member contact information to director candidates for the purpose of director election, the Association’s responsibility of keeping members’ information safe, and the risks involved when releasing member contact information to director election candidates.

A motion approving Board Policies 5-3, 5-6, and 5-7 as presented; and Board Policies 2-3, 2-7, 2-8, 2-11, 5-2, and 5-8 as revised; was made by Mr. Roitsch, duly seconded by Mr. Rogers, and the motion passed unanimously.

20. Finance Committee

There was no report.

PENDING APPROVAL ITEMS

There were no pending approval items.

OTHER ITEMS

21. Upcoming Meetings

There was no discussion.

22. Unfinished Business

There was no unfinished business.

23. New Business

There was no new business.

24. 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 General Counsel regarding proposed revisions to Board Policy 5-5. Board members, General Manager, Board Secretary, and General Counsel were in attendance during such executive session. Such executive session convened at approximately 3:30 p.m. A motion was made, duly seconded, and passed unanimously that the board of directors return to open session at approximately 3:55 p.m.

A motion approving Board Policy 5-5 as revised was made by Ms. Stetson, duly seconded by Mr. Ellgen, and the motion passed unanimously.

25. 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 4:00 p.m.

Chairman of the Board

Dated: April 23, 2019

Secretary of the Board

Dated: April 23, 2019

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