

MINUTES OF THE SPECIAL MEETING OF  
THE BOARD OF DIRECTORS  
OF MOUNTAIN VIEW ELECTRIC ASSOCIATION, INC.  
HELD SEPTEMBER 9, 2011

A Special Meeting of the Board of Directors of Mountain View Electric Association, Inc. was held September 9, 2011 at the Limon Headquarters facility, 1655 5<sup>th</sup> Street, Limon, Colorado 80828 commencing at approximately 9:00 a.m. The purpose of the meeting was to discuss the 2012 wages and benefits for Association employees.

CALL TO ORDER

The meeting was called to order by President Joseph D. Martin, who presided. Secretary/Treasurer Milton L. Mathis acted as Secretary of the meeting.

Those directors present at the beginning of the meeting were:

Mrs. Donna Andersen-VanNess  
Mr. Ricky L. Gordon  
Mr. Allen E. Gresham  
Mr. Joseph D. Martin  
Mr. Milton L. Mathis  
Mr. B. D. Paddock  
Mr. Barry Springer

constituting a quorum. Also present at the meeting were members of the Association management staff: General Manager Jim C. Herron, Operations Manager Claud Hugley, Engineering Manager David Waldner, Member Services Manager Darryl Edwards, and Administrative Manager Ellen Copley, who recorded these minutes at the request of the Secretary/Treasurer.

INVOCATION

Director Paddock delivered the invocation to start the meeting.

APPROVAL OF AGENDA

The agenda which previously had been distributed to the Board was approved, with the addition of a discussion of the proposed Mission/Vision/Values plaque.

DISCUSSION OF THE 2012 WAGE AND SALARY PROPOSAL

General Manager Herron distributed handouts containing details of the proposed wage and benefits to be offered to Association employees in 2012. He advised the Board that he was recommending an increase in total maximum scale wages of 2.5%, which included a 3.0% increase for linemen. He recommended no changes to the benefit plans for 2012, with the exception of adding two additional optional medical plans.

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Mr. Herron then reviewed historical and projected changes in the National, Western U.S., and Denver Consumer Price Indices. He also provided information on 2012 base pay increases as projected by Mercer, the Hay Group, and Towers Watson. Mr. Herron then reviewed spreadsheets showing historical and projected increases in the Colorado lineman hourly rate, the Association lineman rate as a percentage of the State average and those of the front range co-ops, and survey data provided by Mountain States Employers' Council regarding the wages and benefits of Colorado Rural Electric Cooperatives.

Mrs. Copley advised the Board that there had been no increase in the NRECA Defined Benefit Plan base contribution for 2012, and that the Association average age had remained constant. She also reminded the Board that there had been no requirement of a Deficit Reduction Contribution to the Plan in 2011 or 2012, and informed the Board that the 2012 contributions to the Plan would be completed within the first eight months of the year. Mrs. Copley then reviewed a history of the coverage, cost, and Plan changes for the last thirty years. Mr. Herron recommended that no change be made to the Association's present Plan. Discussion followed.

Mrs. Copley then reviewed the past and projected future impact of the Federal health care reform legislation. She discussed the data provided on the change in the medical plan costs over the last ten years, pointing out the impact of the cost-sharing initiated to help control increases in the plan. Mrs. Copley then reviewed the recommended medical plans for 2012: a base PPO plan with generic prescription coverage, an optional prescription buy-up plan, the qualified High Deductible Health Plan, and two new optional PPO plans with higher deductibles than the base PPO plan. Discussion followed.

Mr. Herron and Mrs. Copley then reviewed a twelve year historical comparison of wage and benefit costs, as well as the projected increase in costs between the 2011 and 2012 wage and benefits, and. Discussion followed.

Manager Herron repeated his recommendation that, based on the data and surveys presented at the meeting, the 2012 wage and benefit plan include an overall increase in total maximum scale wages of 2.5%, with a 3.0% increase for Linemen; and no changes to the benefit package for 2012, with the exception of adding two additional optional medical plans. Following discussion, and upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that, effective January 1, 2011, the total maximum scale wages for all employees on the salary scale be increased as recommended by the General Manager, based on the current number of employees, with later adjustments for any changes in the number of budget employees; that Manager Herron use his discretion in spreading the increase over the salary scale ranges based on market conditions; and that no changes be made to the Association benefit packages, with the exception of the addition of the optional medical plans.

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ADJOURN

There being no further business to come before the Board, upon motion duly made, seconded and unanimously carried, the meeting adjourned at approximately 12:30 p.m.

APPROVED:

Milton L. Mathis, Secretary-Treasurer

DONNA ANDERSEN-VAN NESS

RICKY L. GORDON

ALLEN E. GRESHAM

JOSEPH D. MARTIN

MILTON L. MATHIS

B. D. PADDOCK

BARRY SPRINGER