

VALLEY ELECTRIC ASSOCIATION, INC.

**REGULAR MEETING
OF THE
BOARD OF DIRECTORS**

A regular meeting of the Board of Directors of Valley Electric Association, Inc. (“VEA”) for conducting the business of Valley Communications Association, LLC (“VCA”), was held on Tuesday, March 28, 2019, beginning at approximately 5:30 p.m., at VEA’s headquarters in Pahrump, Nevada.

Ken Derschan called the roll of Directors present: Ken Derschan, President; Rick Johnson, Vice President; Dave Hall, Secretary; Peter Gazsy, Assistant Secretary; David Dawson, Treasurer; and John Maurer.

Also present were: Richard “Dick” Peck, interim Chief Executive Officer (“CEO”); Steve Morrison, Chief Financial Officer (“CFO”); Nate Johnson, Executive Vice President (“EVP”) of Broadband; Mike Hengel, EVP of Communications & Regulatory Affairs; Amy Carlson, Executive Administrative Assistant; and Josh Weber, Davison Van Cleve, PC, General Counsel. Also present was Kathy Keyes, Director-elect from Fish Lake Valley.

Mr. Derschan called the meeting to order at 5:27 p.m.

1. Approval of the Agenda. Mr. Dawson **moved** to approve the Agenda. The motion was **seconded** by Mr. Gazsy, and it was **approved** unanimously.
2. Member Comment. There was no member comment.
3. Director Comment. There was no Director Comment.
4. Approval of the Minutes. Mr. Maurer **moved** to approve the minutes of the Friday, January 30, 2019 minutes of the Board Meeting for discussing the affairs of VCA. Mr. Hall **seconded** the motion, and it was unanimously **approved**.
5. Financial and Statistical Reports. Mr. Morrison presented unaudited financial and statistical reports for VCA and Broadband. He reported on sales churn and revenue trends. He presented the income statement and balance sheet and discussed .
6. Unfinished Business. There was no unfinished business.
7. New Business. There was no new business.
8. CEO and Staff Reports.
 - a. CEO Report. Mr. Peck noted that he, Mr. Weber, and Mr. Morrison will be investigating the feasibility and economics of moving VCA back into VEA as a

division of VEA. He noted that CFC does not believe that Broadband can be a positive source of income for a cooperative.


- b. Human Resources Report. Mr. Thurgood had no additions to his written report.
- c. CFO Report. Mr. Morrison did not have any additions to his written report.
- d. Communications Report. Mr. Hengel had no additions to the Communications Report.
- e. Broadband Services Report. Mr. Nate Johnson updated the Board regarding buildout and expansion of services in Sandy Valley. The Board asked questions regarding improved reliability and opportunities in outlying districts. He also updated the Board regarding the over-the-top expo that is coming up to introduce members to the new options that will replace IPTV.
- f. Mr. Morrison discussed improved controls for tracking the Board's financials. The Board approved of the use of the minutes to provide evidence of Board stipends in arrears. Mr. Morrison then presented the Board members with system he has developed to better track and account for expenses.

Mr. Gazsy **moved** to adopt the payment policy as proposed. Mr. Hall **seconded** the motion. The motion was **approved** unanimously.


It was determined that the next meeting of the Board of Directors to consider the affairs of VCA would be held on Thursday, April 25, 2019, beginning immediately following the VEA Board Meeting.

There being no further business to come before the Board, Mr. Dawson **moved** to adjourn the meeting. The motion was **seconded** by Mr. Gazsy, and **approved** unanimously. The Board adjourned the meeting at approximately 6:14 p.m.

DATED this 28th day of March, 2019.



Ken Derschan, President



Dave Hall, Secretary