

Y-W ELECTRIC ASSOCIATION, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS
December 17, 2019

A regular meeting of the Board of Directors of Y-W Electric Association, Inc. was held at the office of the Association in Akron, Colorado at 1:00 p.m. on December 17, 2019.

ROLL CALL

President Roger Schenk called the meeting to order. Directors present were:

Robert Bledsoe	Chet Gebauer
Roger Schenk	Steven Schoenfeld
Stuart Travis	Joneal Young
Larry Winger	Craig Lambley

Manager Loutensock and Attorney Fredregill were also present. Attorney Fredregill recorded the minutes of the meeting. Director Jim Soehner was absent from the meeting

AGENDA APPROVED

It was properly moved, seconded, and carried that the agenda be approved as presented.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Minutes of the November 19, 2019 Regular Meeting of the Board of Directors
- b. Minutes of the December 3, 2019 Special Meeting of the Board of Directors
- c. List of persons to be accepted into membership in Y-W Electric Association, Inc.
- d. Policy 3-10 Energy Conservation
- e. Policy 3-12 Unclaimed or Un-Refundable Consumer Accounts
- f. Policy 3-15 Economic Development
- g. Capital credit refunds for estates of deceased members

It was properly moved, seconded, and carried to approve the Consent Agenda.

REVIEW BILLS

The list of bills paid by the Association in the month of November 2019 was reviewed and discussed.

FINANCIAL REPORT

Brandee Bullard presented the Statement of Operations, Investments, and Form 7, all through October 2019.

Loutensock presented the October Operating Forecast, six-year equity analysis, consumer sales and revenue reports, and expense analysis.

Bullard presented the October general ledger report, balance sheet, income statement, and loan rate comparison.

Loutensock presented the November Tri-State power bill. Loutensock presented graphs of demand, energy, and cost per kWh through November 2019.

CAPITAL CREDIT RETIREMENT SUMMARY

Brandee Bullard and Manager Loutensock presented a written summary of the 2019 capital credit retirement.

APPROVE RUS LOAN DOCUMENTS

Manager Loutensock presented the Colorado 0038-AP8 Yuma loan documents, including the RUS Loan Contract, associated notes, and Restated Mortgage and Security Agreement. Loutensock also presented the Board Resolution Authorizing Loan and associated Secretary's Certificate. It was properly moved, seconded, and carried to approve the resolution as presented.

AUDITOR UPDATE

Manager Loutensock reported that Y-W's auditor is unwinding his partnership with Jackson Thornton. The auditor will be offering the same contract previously offered to Y-W. The board requested that legal counsel review the contract.

HEADQUARTERS REPORT

Manager Loutensock reported on the status of the headquarters project. A state inspection of the underground fire suppression system is scheduled for December 23, after which a certificate of occupancy may issue. The contractor will be taking remedial steps to level the concrete floor. Loutensock reviewed invoices and loan activity related to the headquarters.

WRAY WIND REPORT

Manager Loutensock presented the November Wray wind report.

MANAGER REPORT

Manager Loutensock reviewed the delinquent accounts. He presented thank you notes. Loutensock reported on the status of the AMI deployment. The final five communication structures have been installed, and 7,187 meters have been installed. An opt-out policy, which will be presented to the board at a later date. Manager Loutensock discussed his attendance at the Energy Smart Agriculture Workshop Series. Loutensock reported that Y-W received an equity distribution of \$3,187.00 from Federated Rural Electric Insurance Exchange. Loutensock reported that Y-W received a 2019 Patronage Allocation in the amount \$6,950.30 from NISC. Loutensock presented the CFC newsletter.

EXECUTIVE SESSION

It was properly moved, seconded, and carried to go into executive session for confidential discussion and to receive privileged advice from legal counsel regarding the existing headquarters building and potential litigation, with the following in attendance: All directors present at the meeting, Manager Loutensock, and Attorney Fredregill. Director Winger exited the meeting during the latter half of the executive session. It was properly moved, seconded, and carried to exit executive session.

It was properly moved, seconded, and carried to authorize joint intervention with Southeast Colorado Power Association and other movants, under the terms discussed in executive session, in the following Colorado PUC matters: La Plata Electric Association, Inc. v. Tri-State Generation and Transmission Association, Inc. (Proceeding No. 19F-0620E) and United Power, Inc. v. Tri-State Generation and Transmission Association, Inc. (Proceeding No. 19F-0621E).

President Schenk recessed the meeting at 4:00 p.m. and reconvened at 4:10 p.m.

2020 CALENDAR

The board discussed the board retreat scheduled for February 4 and 5, 2020. It was properly moved, seconded, and carried to move the board retreat to January 27 and 28 or February 6 and 7 if allowed by Dan Brewer's schedule.

WORKERS' COMPENSATION INSURANCE

Loutensock presented analysis of Pinnacol Assurance's proposal for Y-W's 2020 Workers' Compensation insurance coverage and premium. It was properly moved, seconded, and carried to accept the proposal from Pinnacol Assurance.

2020 REBATE PROGRAM

Andy Molt presented the proposed 2020 Energy Efficiency Products Program (Rebate). Molt proposed capping the Y-W rebate for commercial LED retrofits to match the amount paid by Tri-State Generation and Transmission Association. It was properly moved, seconded, and carried to approve the rebate program as presented.

WESTERN UNITED REPORT

Steven Schoenfeld reported on his attendance at the regular meeting of the board of directors of Western United Electric Supply Corporation.

CREA REPORT

Stuart Travis reported on his attendance at the regular meeting of the CREA Board of Directors. He reported that the CREA board performed an evaluation of Kent Singer. He also reported that there will be a 7% dues increase.

TRI-STATE REPORT

Roger Schenk reported on his attendance at the regular meeting of the Tri-State Board of Directors.

Director Schoenfeld exited the meeting.

Schenk reported on the Tri-State financials through October 2019. The Tri-State board authorized a patronage capital refund of approximately \$30 million. Tim Erickson has been appointed to serve as United Power's representative on the Tri-State board of directors. Ken Reif provided a training session to the Tri-State board on the Wholesale Electric Service Contract. Schenk reported on Tri-State's proposed Responsible Energy Plan and anticipated new renewable generation. He also discussed the approval of a new community solar policy. He also discussed the strawman proposals for partial requirements contracts.

MID-WEST ELECTRIC CONSUMERS ASSOCIATION

Directors Travis and Schenk reported on their attendance at the Midwest Electric Consumers Association Annual Meeting and the regular meeting of the Mid-West Electric Consumers Association Board of Directors. Travis reported on the Resolutions Committee Meeting. He reported that runoffs are currently way above average.

UPCOMING MEETINGS AND SEMINARS

The board discussed who would be attending upcoming meetings and seminars.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 5:01 p.m.

SECRETARY

PRESIDENT