

Y-W ELECTRIC ASSOCIATION, INC.  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
August 20, 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 August 20, 2019.

**ROLL CALL**

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

Roger Schenk	Robert Bledsoe
Steven Schoenfeld	Jim Soehner
Stuart Travis	Joneal Young
Larry Winger	

Manager Loutensock and Attorney Fredregill were also present. Attorney Fredregill recorded the minutes of the meeting. Directors Craig Lambley and Chet Gebauer were absent.

**AGENDA APPROVED**

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

**EMPLOYEE INTRODUCTION**

Manager Loutensock introduced employees Brock Houston, Garret Basler, and Josh Ballah. Each employee described his background and duties at Y-W Electric Association, Inc.

**PUBLIC COMMENT**

There was no public comment.

**APPROVAL OF MINUTES**

It was properly moved, seconded, and carried that the minutes of the regular meeting for the Board of Directors of July 23, 2019 be approved as presented.

**REVIEW BILLS**

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

## **APPROVE NEW MEMBERS**

It was properly moved, seconded and carried that the following persons be accepted into full membership in Y-W Electric Association, Inc.:

Budderfly Inc.  
CPW Inc.  
Cline, Brandy Lee  
Crippen, Douglas & Antoinette  
Gibson, Derrick  
Glisan, James T.  
Gross, Chad & Natalie  
Hamilton, Tara  
Lacy, Shelby  
Martinez, Maria  
Mayes, Trenton  
McKinney, Mark  
Parker, Jeremy  
Strand, Mick & Miranda  
Volberding, Tim & Fischer, Nicole

## **FINANCIAL REPORT**

Manager Loutensock and Brandee Bullard presented the second quarter financial report, including the investments, savings account balance, money market account balances, and repurchase account balance through June 2019. Bullard presented the loan rate comparison through August 9, 2019. Bullard and Loutensock also presented the Statement of Operations through June 2019. The board and staff discussed the effect of the weather on revenues. The board and staff also discussed the status of Y-W's financial ratios, which are all currently in compliance with covenants.

Manager Loutensock reviewed the RUS Financial and Operating Report. He discussed the budgeted revenue shortfall and equity ratio goals.

Manager Loutensock presented the projected operating forecast, consumer sales report, income statement, and balance sheet for June. He also presented the July power bill. He reviewed graphs of demand, energy, and cost per kWh through July 2019.

Loutensock and Bullard presented an expense analysis for May and June 2019. Loutensock and Bullard highlighted areas of significant variance from the budget, including operating revenue and patronage capital, cost of purchased power, maintenance of station, maintenance of line transfer, distribution maintenance, overhead line expenses, tree trimming, meter expense, meter reading, advertising, office furniture, total operation and maintenance expense, interest expense, interest penalties, total cost of electric service, and operating margins.

## **APPROVE RUS CONSTRUCTION WORK PLAN**

Loutensock and Bullard presented a resolution authorizing the 2019-2022 Construction Work Plan Loan Application in the estimated amount of \$32,635,872. They also presented the associated loan documents. Loutensock presented the financial forecast under the Construction Work Plan as presented. It was properly moved, seconded, and carried to approve the resolution as presented.

President Schenk tabled further discussion of the 2019-2022 Construction Work Plan.

## **NATIONAL COOPERATIVE YOUTH TOUR / CAMP REPORT**

Andy Molt introduced Joseph Barr, Y-W's representative to the national cooperative youth tour in Washington D.C. Barr gave a presentation about his experience. Molt introduced Y-W's CEEI youth camp delegates, Orian Wagers, Talon Glanz, and Elijah Myers. They gave a presentation regarding their time at the camp.

President Schenk recessed the meeting at 3:07 p.m. and reconvened at 3:24 p.m.

## **CONTINUED DISCUSSION OF THE RUS CONSTRUCTION WORK PLAN**

Manager Loutensock discussed Y-W's financial policy goals, including the equity ratio goal. He discussed the Tri-State long-term load forecast and how it might affect Y-W's financial goals and margins.

## **WRITE-OFFS**

Bullard presented the proposed list of write-offs, totaling \$2,540.48. It was properly moved, seconded, and carried to approve the accounts for write-off as presented.

## **OPERATIONS REPORT**

Rodney Dunker presented the Operations and Safety Report. There were no lost time accidents. Dunker reported on consumer incidents, new services, and outages. Dunker reported on safety meetings and harassment training. Y-W received the Achievement of Excellence award from CREA, which is only awarded to one CREA member. Dunker also provided updates on his participation with the RESAP observation team, the results of the Federated Safety and Loss Prevention Assessment, and the August thunderstorm. It was properly moved, seconded, and carried to approve the Safety Report.

## **MEMBER SERVICES REPORT**

Andy Molt gave the quarterly Member Services report. Molt presented a case study comparison of several net metered renewable energy installations.

## **2020 Y-W ANNUAL MEETING**

Andy Molt reviewed the calendar for potential 2020 annual meeting dates. It was properly moved, seconded, and carried to hold the Y-W 2020 Annual Meeting on a Saturday in June with a specific date and time to be determined at a later time.

Director Bledsoe exited the meeting.

## **2019 PROPERTY TAX VALUATION**

Manager Loutensock presented the 2019 Final Notice of Value from the Colorado Department of Local Affairs, Division of Property Taxation.

## **COBANK DIRECTOR ELECTION BALLOT**

Manager Loutensock presented the CoBank 2019 Director Election Ballot. It was properly moved, seconded, and carried to vote for Michael Marley for the Mid Plains Region Modified Equity Seat and Stephen Epperson for the Mid Plains Region One Stockholder One Vote Seat. It was properly moved, seconded, and carried to approve the entire slate for the CoBank 2020-2021 Nominating Committee.

## **CFC ELECTION BALLOT**

Manager Loutensock presented a memorandum on the CFC District 7 Meeting, Notice of Meeting, and Director Ballot. The board deferred consideration of the CFC District 7 Meeting until next month.

## **DONATION REQUESTS**

Manager Loutensock presented a donation request for the CARE Auction along with a list of past Y-W donations. Manager Loutensock reported that he had agreed to match last year's donation of half of a Ballyneal golf package. It was properly moved, seconded, and carried to ratify the presented donation.

Manager Loutensock presented a donation request from NRECA International. The board took no action.

## **HEADQUARTERS REPORT**

Manager Loutensock reported on the status of the headquarters project. He reported on carpeting, drywall resanding, and outlet inventory. He reported that the completion date has been amended to September 27, 2019. He updated the board on construction payments made to date.

## **WRAY WIND REPORT**

Manager Loutensock reviewed the July Wray wind report.

## **POLICY 2-18**

Loutensock presented revised Policy 2-18. It was properly moved, seconded, and carried to approve the policy as presented.

## **POLICY 2-19**

Manager Loutensock presented Policy 2-19. It was properly moved, seconded, and carried to approve the policy as presented.

## **POLICY 2-20**

Manager Loutensock presented Policy 2-20. It was properly moved, seconded, and carried to approve the policy as presented.

## **WESTERN UNITED REPORT**

Steve Schoenfeld reported that there was no regular meeting of the Western United Electric Board of Directors.

## **CREA REPORT**

Stuart Travis reported that there was no regular meeting of the CREA Board of Directors.

## **MID-WEST ELECTRIC REPORT**

Stuart Travis reported on his attendance at the regular meeting of the Mid-West Electric Consumers Association United Electric Board of Directors. He reported that Bill Drummond announced his retirement.

## **CAPITAL CREDIT REFUNDS**

After consideration of the financial condition of the Cooperative, it was properly moved, seconded, and carried that the board authorize the refunding of capital credits for the following deceased member, with Director Soehner abstaining from the vote:

Soehner, Buelah M	\$1,241.78
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Director Travis exited the meeting.

## **TRI-STATE REPORT**

President Schenk reported on his attendance at the regular meeting of the Tri-State Board of Directors. The June financials are significantly under budget. He reported that margins are currently at \$5.5 million. Tri-State is beginning its budgeting process. The Tri-State Board approved participation in the Southwest Power Pool Western Energy Imbalance

Service. Schenk also reported on the Responsible Energy Plan, FERC filing, and proposals reviewed by the contract committee.

**MANAGER REPORT**

Manager Loutensock reviewed the delinquent accounts and provided an AMI update. He presented thank yous. He also presented the CFC Newsletter.

**MEETING ATTENDANCE**

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 5:58 p.m.

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SECRETARY

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PRESIDENT