

Y-W ELECTRIC ASSOCIATION, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS
November 17, 2020

A regular meeting of the Board of Directors of Y-W Electric Association, Inc. was held at the headquarters of the Association, located at 26862 US Highway 34 in Akron, Colorado, at 1:00 p.m. on November 17, 2020.

ROLL CALL

Vice President Craig Lambley called the meeting to order. Directors present were:

Robert Bledsoe	Freeman Morris
Craig Lambley	Larry Winger
Roger Schenk	Joneal Young
Chet Gebauer	Steven Schoenfeld

Manager Loutensock and Attorney Fredregill were also present. Brandee Bullard, Marjie Hottinger, Andy Molt, Rodney Dunker, James Ziebarth, and Steven Marshall attended via video conference. Attorney Fredregill recorded the minutes of the meeting. Roger Schenk was not present when the meeting was called to order but entered at the point noted below. Stuart Travis was not present.

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 October 20, 2020 Regular Meeting of the Board of Directors
- b. List of persons to be accepted into membership in Y-W Electric Association, Inc.
- c. Policy 2-2: Employee Development
- d. Policy 2-3: Salary and Wage Administration and Policy 2-3 Appendix A1
- e. Capital credit refunds for estates of deceased members

Upon the recommendation of Attorney Fredregill, three estates were removed from the consent agenda. It was properly moved, seconded, and carried to approve the Consent Agenda as revised.

CONTINGENT CAPITAL CREDIT REFUND FOR THE ESTATE OF DECEASED MEMBER

Of the three estates removed from the consent agenda, Attorney Fredregill presented one for approval, contingent upon confirmation of the partnership. It was properly moved, seconded, and carried to approve the estate contingent upon confirmation of the partnership.

OCTOBER BILLS

Trent Loutensock presented the list of bills paid by the Association in the month of October 2020.

COST OF SERVICE STUDY

Rebecca Payne, C.H. Guernsey Managing Consultant, entered the meeting via video conference. She presented the revised executive summary of Y-W's cost of service study with a 1.75% average rate increase and a 2.00% average rate increase. She presented summaries of rates, a comparisons of rate changes, and ten-year financial forecasts for both proposed average rate increases.

Rebecca Payne left the meeting.

FINANCIAL REPORT

Brandee Bullard presented the September Statement of Operations and Form 7. She also presented the loan rate comparison through November 2, 2020. Loutensock presented the September Operating Forecast, Consumer Sales & Revenue Report, Equity Report, and the general ledger. He also presented the October Tri-State Bill and graphs of demand, energy, and cost per kWh through October 2020.

WRITE-OFFS

Bullard presented proposed write-offs in the amount of \$1,037.41 for accounts disconnected prior to August 17, 2020. It was properly moved seconded and carried to approve the write-offs as presented.

CAPITAL CREDIT REFUND

Bullard presented the proposed general retirement of capital credits for 2020. She presented two staff-recommended options of \$1,507,505.50 and \$2,008,111.70 in total retirement including estate refunds. Both options allowed for a refund cycle that is longer than 20 years but shorter than 25 years. It was properly moved, seconded, and carried to approve a total 2020 capital credit retirement of \$1.9 million, including estates.

Roger Schenk entered the meeting.

Loutensock and Bullard sought direction from the board regarding the timing of capital credit refund check distribution. The board directed staff to time the distribution of checks to reduce the number of refunds automatically applied to member billing accounts. The board also directed staff to issue a press release regarding the refund.

2019 KRTA

Loutensock presented the 2019 Key Ratio Trend Analysis.

2019 FORM 990

Bullard presented the 2019 IRS Form 990 review.

2021 OPERATING BUDGET

Loutensock presented alternate 2021 Forecasts of Operations, one with a 1.75% average rate increase and the other with a 2.00% average rate increase. The board discussed equity management and the capital credit refund cycle. It was properly moved, seconded, and carried to approve a 2.0% average rate increase as presented by C.H. Guernsey.

It was properly moved, seconded, and carried to approve the 2021 Operating Budget with the 2.0% average rate increase as presented.

HEADQUARTERS REPORT

Manager Loutensock and Rod Dunker presented the bids for the pole yard concrete pad. Y-W received four bids. It was properly, moved, seconded, and carried to award the contract to Hottinger Excavating & Ready Mix, which came in with the lowest bid of \$110,384.35.

HOSPITAL TRANSPORTATION INSURANCE

Manager Loutensock presented information regarding membership in MASA Medical Transport Solutions. The Board discussed whether to provide membership as a benefit to employees and whether to offer board members the opportunity to participate in the plan. It was properly moved, seconded, and carried to approve the MASA Medical Transport Solutions Plan as an additional employee benefit with board participation also allowed, provided the fees for participating board members are deducted from the board member's per diem.

ANNUAL MEETING DISCUSSION

Andy Molt reviewed the board meeting location rotation and proposed holding the 2021 Annual Meeting at the new Y-W Electric Association, Inc. headquarters. The board directed that the 2021 Annual Meeting, scheduled for March 25, 2021 be held at the Y-W headquarters.

ATTORNEY REPORT

The board reviewed the notice of rate increase for Williamson Lowery Fredregill, outside general counsel for the association.

MANAGER REPORT

Manager Loutensock presented his written report. He presented delinquent accounts, thank you notes, a donation request to the CREA Wildfire Relief Fund, the CFC Newsletter, and a proposed shared services agreement with Highline Electric Association. No action was taken on Wildfire Relief Fund donation.

WRAY WIND REPORT

The board reviewed the October Wray Wind Generator Report.

REMOVAL OF POLICY 2-23: EMPLOYEE LEAVE DONATION

The board discussed advice from counsel regarding removal of Policy 2-23. The board discussed employee use of the policy and possible alternatives. It was properly moved, seconded, and carried to rescind policy 2-23.

MID-WEST ELECTRIC CONSUMERS ASSOCIATION DELEGATE

The board reviewed the Notice of Annual Meeting of the Mid-West Electric Consumers Association, Inc. It was properly moved, seconded, and carried to appoint Roger Schenk as Y-W Electric Association, Inc.'s delegate to the meeting.

YUMA MUSEUM DONATION REQUEST

Manager Loutensock presented a donation request from the Yuma Museum. The board took no action.

WESTERN UNITED REPORT

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

TRI-STATE REPORT

Roger Schenk reported on his attendance at the regular meeting of the Tri-State Board of Directors. He discussed meeting highlights, including the long-term financial forecast, current litigation, and the Tri-State Resource Plan.

UPCOMING MEETINGS

The Directors discussed attendance at upcoming meetings.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 4:49 p.m.

SECRETARY

PRESIDENT