

Y-W ELECTRIC ASSOCIATION, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS
December 18, 2018

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 9:00 a.m. on December 18, 2018.

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
Jim Soehner	

Manager Hall and Attorney Williamson were also present. Attorney Williamson recorded the minutes of the meeting. Dan Brewer, GM search consultant, was also present.

AGENDA APPROVED

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

EXECUTIVE SESSION

It was properly moved, seconded and carried to go into executive session for confidential discussion regarding the GM search, with the following in attendance: All directors present at the meeting, Dan Brewer, and attorney Williamson.

President Schenk recessed the meeting at 10:07 a.m. and reconvened at 10:23 a.m.

It was properly moved, seconded and carried to exit executive session.

President Schenk recessed the meeting at 11:41 a.m. for lunch and reconvened at 12:55 p.m.

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 November 20, 2018, be approved as presented.

REVIEW BILLS

The list of bills paid by the Association in the month of November 2018 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.:

Alcorn, Noah
Cardenas, Jorge
D7 Properties LLC
Damon, Jayde & Alyssa
Hunning Properties LLC
Johnson, Joshua L
Burton, Richard & Kimble, Stephanie
Lazy Diamond B LLC
Miller, Dana & Jordan
Prewitt, Autumn
Rodriguez, Rubi
Shepard, Andrew & Betty
Valkyrie Resources LLC
Whitt, Misty

MANAGER GOALS

Manager Hall presented a summary of his efforts and accomplishments in relation to his 2018 goals.

It was properly moved, seconded and carried to go into executive session for review of General Manager Hall with the following in attendance: All directors present at the meeting and attorney Williamson. It was properly moved, seconded and carried to exit executive session.

FINANCIAL REPORT

Manager Hall presented the Statement of Operations, Operating Forecast, and Consumer Sales and Revenue, all for October 2018. Hall presented the November Tri-State bill and Cash Flow. He reviewed graphs of demand, energy, and average cost per kWh through November 2018.

2019 BUDGET AND RATE INCREASE

General Manager Hall and Brandee Bullard presented the revised proposed 2019 budget. The Board approved a 3% overall rate increase at the November meeting based on the previous proposed budget. Based on the revised budget and the rate consultant's analysis, Manager Hall recommends a rate increase of 1.74% to be effective February 1, 2019.

It was properly moved, seconded and carried to rescind the 3% rate increase approved at the November meeting and to approve an overall rate increase of 1.74% as presented, effective February 1, 2019. Director Soehner voted no.

CAPITAL CREDIT RETIREMENT SUMMARY

Brandee Bullard presented a written summary of the 2018 capital credit retirement.

BANK RESOLUTIONS

Brandee Bullard presented a Bank of Colorado resolution regarding the new Y-W headquarters fund account and a Bank of Colorado resolution regarding the revolving loan fund savings account.

It was properly moved, seconded and carried to approve the resolution for the headquarters fund account.

It was properly moved, seconded and carried to approve the resolution for the revolving loan fund account.

125 PLAN AMENDMENT

Marjie Hottinger presented a resolution adopting an amendment and restatement of Y-W's 125 plan.

It was properly moved, seconded and carried to approve the resolution as presented.

PROPERTY AND CASUALTY INSURANCE

Marjie Hottinger presented a quote for Y-W's 2019-20 Property and Casualty Insurance coverage with Federated Insurance. The annual increase in premium is \$4,076. It was properly moved, seconded and carried to accept the quote as presented.

WORKERS' COMPENSATION INSURANCE

Hottinger presented analysis of Y-W's 2019 Workers' Compensation insurance coverage and premium with Pinnacol Assurance. It was properly moved, seconded and carried to accept the proposal from Pinnacol Assurance. Y-W received the Pinnacle Assurance Circle of Safety Silver Award.

Director Gebauer left the meeting at 2:35 p.m.

POLICY 2-1

Manager Hall presented revised Policy 2-1. It was properly moved, seconded and carried to approve the policy as presented.

COLORADO AGRICULTURE HALL OF FAME BANQUET

Manager Hall presented a notice of the 2019 Agriculture Hall of Fame banquet.

DONATIONS

Manager Hall presented donation requests from the Western Nebraska Community College Foundation, the Wray Community Learning Center, and NRECA International. The Board did not act.

COMMUNICATIONS TOWER EASEMENT

Manager Hall presented an easement and agreement for a communications tower easement. It was properly moved, seconded and carried to approve the easement agreement and to authorize Manager Hall to execute it.

POLICY 7-1

Manager Hall presented Policy 7-1. It was properly moved, seconded and carried to approve the policy as presented.

POLICY 8-1

Manager Hall presented Policy 8-1. It was properly moved, seconded and carried to approve the policy as presented.

2019 MEETING CONFLICTS

The board reviewed the 2019 calendar for conflicts with the regularly scheduled board meeting dates. The Board did not change any Board meeting dates.

NRECA ANNUAL MEETING DELEGATES

The Board tabled consideration of delegates to the NRECA annual meeting.

HEADQUARTERS REPORT

Manager Hall reported on the status of the Headquarters project.

Directors Winger and Schoenfeld left the meeting at 2:55 p.m.

WRAY WIND REPORT

Manager Hall presented the November Wray wind report.

CREA REPORT

Stuart Travis reported on his attendance at the regular meeting of the CREA Board of Directors. He reported on CREA's expectations of the 2019 legislative session in light of the 2018 election.

TRI-STATE REPORT

Jim Soehner reported on his attendance at the regular meeting of the Tri-State Board of Directors. Tri-State announced the payment of \$30 million in capital credits. Tri-State will convene the contract committee again. DMEA filed a petition at the PUC regarding DMEA's requested buyout of Tri-State. Roger Schenk reported that United Power requested an audience with Y-W to present information regarding United's proposal to create a partial requirements membership option at Tri-State.

MID-WEST ELECTRIC

Directors Travis and Schenk reported on their attendance at the Midwest Electric annual meeting and the regular meeting of the Mid-West Electric Consumers Board of Directors. Travis was re-elected to the Mid-West Electric Board of Directors.

MANAGER REPORT

Manager Hall reviewed the delinquent accounts. He presented thank you notes. Manager Hall reported on the status of the AMI project. He presented the CFC newsletter and discussed personnel matters.

UPCOMING MEETINGS AND SEMINARS

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

ESTATE 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 members:

Walton, Dorothy E.	\$ 896.48
Delmar Walton Testamentary Trust	896.48
Schmidt, Dale	2,264.87
Conrad & Hazel Schmidt Family Trust	18.62
Mekelburg, Russell	592.77
Weed, M. Herbert Jr. & Doris F.	2,940.85
Wahl, Margie	420.27
Morris, Paul A.	Assignment

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 3:42 p.m.

Joneal Young
SECRETARY

Leah Sch
PRESIDENT