

Y-W ELECTRIC ASSOCIATION, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS
May 19, 2020

A regular meeting of the Board of Directors of Y-W Electric Association, Inc. was held at the new headquarters of the Association, located at 26862 US Highway 34 in Akron, Colorado, at 1:00 p.m. on May 19, 2020.

ROLL CALL

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

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|----------------|-------------------|
| Robert Bledsoe | Steven Schoenfeld |
| Craig Lambley | Joneal Young |
| Jim Soehner | Larry Winger |
| Roger Schenk | |

Manager Loutensock Rod Dunker, Andy Molt, Steve Marshall, Brandee Bullard, Marjie Hottinger, and Attorney Williamson were also present. Attorney Williamson recorded the minutes of the meeting. Attorney Williamson, Marjie Hottinger, and Brandee Bullard attended via zoom video conference. Directors Chet Gebauer and Stuart Travis were absent.

AGENDA APPROVED

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

DIRECTOR JIM SOEHNER'S LAST MEETING

Roger Schenk recognized Jim Soehner for his 36 years of service on the Y-W Electric Association, Inc. Board of Directors. Soehner served 12 terms and served as Y-W's representative to the Tri-State Board of Directors for 29 years.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Minutes of the April 21, 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 6-1 Rates, Rules and Regulations and Extension Policy
- d. Policy 6-2 Idle Services and/or Facilities
- e. Policy 6-3 Electric Service to Trailers or Mobile Homes
- f. Capital credit refunds for estates of deceased members

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

APRIL BILLS

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

FINANCIAL REPORT

Brandee Bullard reviewed the May Loan Rate Comparison. She presented the Statement of Operations through March 2020. Bullard reported that Y-W received final approval of its RUS loan. She presented the March Form 7.

Loutensock presented the March Operating Forecast, equity graph Consumer Sales, revenue and expense graphs, and General Ledger. Loutensock presented the power bill through May 14, 2020. He also presented graphs of demand, energy, and cost per kWh through April 2020.

BAD DEBT WRITE-OFF

Brandee Bullard presented a list of past due accounts for write-off. It was properly moved, seconded, and carried to write-off the list of debts as presented in the amount of \$3,804.94.

RUS LOAN

Bullard reported on the status of the recent loan from RUS. Y-W drew down \$17.6 million and paid all outstanding CFC short-term debt. The interest rate on the \$17.6 million is 1.158%.

PPP LOAN

Roger Schenk reported that 501(c)(12) coops were not believed to be eligible for the SBA's PPP loan. Recent SBA guidance made clear that these coops are eligible. The Board discussed whether to apply for the loan. It was properly moved, seconded, and carried to authorize Manager Loutensock and President Schenk to apply for the PPP loan with CoBank.

EXECUTIVE SESSION

It was properly moved, seconded, and carried to go into executive session for attorney-client privileged advice regarding Tri-State PUC and FERC matters, with the following in attendance: All Directors and staff present at the meeting and Attorney Williamson. It was properly moved, seconded, and carried to exit executive session.

NEW HQ BUILDING

Manager Loutensock presented his written report regarding the status of the new headquarters building. Rod Dunker reported on the status of the asphalt parking lot.

EXISTING HQ BUILDING

Marjie Hottinger reported on the status of the sale of the existing headquarters building. Closing is scheduled for July 16, 2020.

Manager Loutensock reported that he would like to keep the old generator building and use it for storage. It was the consensus of the Board to keep the building for storage.

MANAGER REPORT

Manager Loutensock reviewed the delinquent accounts. He presented thank you notes. Y-W completed installation of the AMI metering system \$282,000 under budget. Loutensock reported on potential solar projects.

President Schenk recessed the meeting at 2:47 p.m. and reconvened the meeting at 3:03 p.m.

Steve Schoenfeld left the meeting.

POLICY 3-9

Bullard presented the proposed 2020 discount rate to be applied to early retirement of capital credits. It was properly moved, seconded, and carried to approve Policy 3-9 with the revised discount rate.

2020 CREDENTIALS COMMITTEE

Brandee Bullard presented a list of proposed members of the 2020 Credentials Committee. It was properly moved, seconded, and carried to appoint the proposed members to the 2020 Credentials Committee. It was properly moved, seconded, and carried to appoint the Credentials Committee and Brandee Bullard as the 2020 Election Supervisory Committee.

Y-W RATE 60

Trent Loutensock presented revised Rate 60. It was properly moved, seconded, and carried to approve Rate 60 as presented.

TRI-STATE REPORT

President Schenk reported on his attendance at the regular meeting of the Tri-State Board of Directors. Schenk reported on Tri-State's financials. Schenk presented graphs of Tri-State's cost of renewable energy, natural gas, and fossil fuel fired plants. Tri-State has eight new renewable energy projects in the pipeline. Schenk reported on Tri-State's lawsuit with United Power. Tri-State reached an agreement with DMEA regarding DMEA's withdrawal.

LEADERSHIP CAMP

Andy Molt reported that the 2020 leadership camp was cancelled. Molt would like to allow the students that were chosen for the 2020 camp to apply for next year's camp. The Board agreed.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 3:50 p.m.

SECRETARY

PRESIDENT