



POWERING A VITAL VALLEY

**Board of Directors Meeting
Headquarters Office
Monte Vista, Colorado
December 17, 2019
1:30 p.m.**

1. Call to Order
2. Pledge of Allegiance
3. Welcome of Guests
4. Cooperative Member Communications
5. Approval of Agenda
6. Corporate Summary
 - a. Department Summaries
 - b. Financial Summary
7. Board Action
 - a. Approval of Minutes
 - b. Approval of General Capital Credit Retirement
8. Review of Safety Report
9. Review of Agreements for Purchase of Power
10. Cielo Report
11. Attorney Report
12. Board Committee Reports
 - a. CREA
 - b. Western United
 - c. Tri-State
13. Unfinished Business
14. New Business
15. Future Dates and Meeting
 - a. SLVREC Regular Board Meeting is January 28, 2020 beginning at 9:30 a.m.
16. Board Member Comments
17. Executive Session
18. Adjournment

CORPORATE SUMMARY
DECEMBER 17, 2019

Executive:

- The electric member rate complaints with the Colorado PUC filed by 27 members and the Town of Crestone was settled at mediation. Rate A and Rate A TOD were revised lowering the demand charges and raising the energy charges, effectively making these rates a volumetric rate. This rate will remain in effect until April 1, 2021. In addition, a member stakeholder program will be implemented in 2020 to allow input on electric rates and an education program on electric use will be implemented
- Work continues rebuilding the power lines in the north area to current RUS standards in an effort to eliminate raptor electrocutions.
- Applications for a Certificate of Public Convenience and Necessity and a Letter of Registration for telecommunications services have been resubmitted to the Colorado Public Utilities Commission and were approved by the PUC Commission on December 11, 2019. The first application for a CPCN and LOR in 2015 was withdrawn at the behest of the PUC staff. These authorizations are typically needed for grant applications.

Operations:

Construction:

- A half mile of single-phase line was replaced in the Casita park area.
- Completed a clean-up day in the Baca Grande in Camino Baca Grande.
- Currently working in the Moffat area on the raptor rebuild.

Outages:

- October and November outages actually showed improvement over past months, although this is somewhat diluted by the 12-month nature of the attached graphs. Large events included:
 - October 21 at 3:30PM, a termination on a feeder exit at San Acacio Sub failed, causing a 2-hour outage to the 155 members on this circuit.
 - October 24 at 7AM, an underground fault in the BACA affected 121 members for 3 and one-half hours. Travel and restoration were complicated by heavy snows that day.
 - November 11 at 3:30PM, all three circuits at our Ansel sub opened simultaneously and were restored by line crew 1hr-15minutes later, affecting 300 members. This was an extremely unusual event, and research found a parameter included in the programming unique to this site. Tri-State was doing routine meter testing at that time, and while this testing is logically the cause, we have not yet been able to determine the exact reason this opened the circuits. This parameter has been disabled (to mirror programming on all other reclosers).
 - November 29, heavy snows affected the lines west of Creede. Unable to locate a downed wire in the dark, blowing and deep snow, and following the lone member's approval, crews returned the following morning with a snow cat and were able to find and repair a number of tree-related issues. 15 accounts were out for nearly 20 hours. Upon becoming stuck in deep snow, a lineman had to exit his truck through the window since snow prevented him from opening the door.

Fiber:

- Xcel sent a contractor to Saguache and they have approved most of our pole attachments there. Once we had an approved attachment height, we decided to amend our attachment plan so we can make sure to meet mid-span heights across roads and in various alley ways. We are updating our attachment application to include the use of strand in this build area. This will delay our deployment by several weeks. However, we still hope to begin building in the town of Saguache in January.
- We have completed the installation of our wireless gear on the top of Cemetery Hill. This allowed us to move all of the Saguache wireless customers over to our service. We now have completed all of the CCT transitions throughout the Valley.
- All fiber placement and home installation work is complete in the grant areas above Creede.

- The additional fiber build in the Creede area around Freemon's Store and in the Fern Creek area is nearly complete. This fills in the gaps between the Park Corrals and the grant areas we built in the Spring Creek area.
- A sizable build has been designed and staked on the West side of Alamosa. This will cover the areas around Walmart and extend to the Alamosa High School as well as making service available to other businesses on Craft Drive, such as San Luis Care, Big R, etc. The permitting issues have been resolved with the City of Alamosa and we will complete some of the bores in this build area yet this year. We will resume building in the spring once the frost is gone and work can be completed with a minimum of ground disturbance.
- The State of Colorado moved the Mineral County Sheriff's radio traffic to the T1 Cielo turned up between the Bulldog tower in Creede and the State Patrol office in Alamosa.
- We continue to receive requests for Metro Ethernet service at various cell sites in the Valley. These bids are often submitted several months in advance. We feel we are in an excellent position to win some of these RFP's.
- We have also had numerous local government agencies convert to Cielo lately, such as the SLV Behavioral Health offices in several towns, and a significant group of services for Saguache County.

Customer Service/Billing:

Cielo Statistics:

- For the month of November 2019, a total of 80 installs were completed.
- As of December 10, 2019, the total number of orders are 3,669 including 3,486 completed installations and 183 pending orders.

CCT Statistics:

- For the month of November 2019, a total of 12 installs were completed, 12 of which were done by Cielo installers
- As of December 10, 2019, the total number of accounts transferred from CCT is 734 which include 731 completed and 3 pending. Out of the total transferred accounts, Cielo installers have installed 162 services so far in 2019.

Fiber Maintenance:

- For the month of November 2019, we had a total of 138 maintenance tickets. Out of the total tickets we rolled out a truck on 96 and the others were resolved over the phone.

Human Resources:

- Davine Atencio is our newest addition in Customer Service. Her first day was December 2, 2019.

Marketing/Economic Development:

- Attended Adams State career fair on Nov. 13 with Terry, Alec and Stacy
- Cielo's "Sweet Deal" promotion mailed to La Jara and Center town residents on Dec. 9 (see photo), offering one free month and donation to local school, plus a "sweet treat" (cookie).



Operations Financial Comparison YTD Exceptions

- Line 1 Operating Revenue is lower than last year due to 13,899,000 less kWh sold than last year due to reduced irrigation pumping.
- Line 2 Purchased Power is lower than last year and budget due to less kWh purchased and lower mills. This is because of reduced irrigation pumping.
- Line 8 Depreciation, Tax & Other is higher than last year due to increase Plant in service
- Line 10 Interest – Other is higher than last year due to higher amount on LOC and higher interest rates.
- Line 13 Operating Margin is lower than last year to reduced revenue but higher than budget due to reduced expenses.
- Line 15 Non Op – Cap Cr is lower than last year and budget due to decreased allocations from Western United and Federated.
- Line 16 Non Op – Other is where the Broadband revenue and expenses are being recorded. Broadband Revenue is \$2,173,756 budgeted at \$2,299,112 and expenses are \$3,608,596 budgeted at \$3,481,016 for a loss of \$1,434,840.
- Line 17 Net Margin is lower than last year due to reduced revenue but higher than budget due to reduced expenses.

Finance Exceptions

- Operating Margin for October 2019 is \$1,489,426 compared to \$1,692,614 for 2018 and \$498,617 for budget. The main difference is decreased power costs and lower revenue.
- Broadband Loss is \$1,434,840 compared to \$1,181,904 budgeted loss.
- Net margin for 2019 is 472,824 compared to 711,229 for last year and a budgeted amount of \$(117,411).
- A debt service payment of \$1,396,418 was made on October 31, 2019. For the Electric loans \$431,516 was paid on principal and \$626,963 was paid in interest which included \$59,856 discount. For the Broadband Loans \$196,471 was paid on principal and \$141,468 was paid in interest which included a \$17,117 discount.

OPERATIONS FINANCIAL COMPARISON
October-19

ITEM	Year to Date					Current Period				
	2018	2019	% VARIANCE	Budget	% VARIANCE	2018	2019	% VARIANCE	Budget	% VARIANCE
1 OPERATING REVENUE	30,426,912	29,598,127	-2.72%	29,243,669	1.21%	2,989,585	2,918,640	-2.37%	3,018,985	-3.32%
2 PURCHASED POWER	16,804,621	15,429,263	-8.18%	16,198,460	-4.75%	1,252,255	1,258,315	0.48%	1,450,232	-13.23%
3 TRANSM-DIST OP/MAINT	3,845,485	4,026,063	4.70%	3,953,983	1.82%	358,902	394,378	9.88%	398,960	-1.15%
4 CONSUMER EXPENSE	1,204,521	1,206,415	0.16%	1,221,547	-1.24%	130,884	110,873	-15.29%	32,828	237.74%
5 ADMIN & GEN EXPENSE	1,876,996	1,963,619	4.61%	2,027,062	-3.13%	180,411	204,699	13.46%	186,179	9.95%
6 TOTAL OP & MAINT EXPENSE	23,731,623	22,625,359	-4.66%	23,401,052	-3.31%	1,922,452	1,968,265	2.38%	2,156,717	-8.74%
7 LESS POWER COST	6,927,002	7,196,097	3.88%	7,202,592	-0.09%	670,197	709,950	5.93%	706,485	0.49%
8 DEPRECIATION, TAX & OTHER	2,685,731	3,001,378	11.75%	2,934,000	2.30%	273,184	302,165	10.61%	303,500	-0.44%
9 INTEREST - LTD	2,047,227	2,090,266	2.10%	2,160,000	-3.23%	241,493	210,224	-12.95%	211,000	-0.37%
10 INTEREST - OTHER	269,718	391,697	45.22%	250,000	56.68%	37,311	56,444	51.28%	21,050	168.14%
11 TOTAL EXPENSES	28,734,299	28,108,701	-2.18%	28,745,052	-2.21%	2,474,440	2,537,098	2.53%	2,692,267	-5.76%
12 LESS POWER COST	11,929,677	12,679,439	6.28%	12,546,592	1.06%	1,222,186	1,278,783	4.63%	1,242,035	2.96%
13 OPERATING MARGIN	1,692,614	1,489,426	-12.00%	498,617	198.71%	515,144	381,542	-25.93%	326,718	16.78%
14 NON OP INTEREST	104,742	108,484	3.57%	103,760	4.55%	11,886	11,468	-3.52%	10,376	10.52%
15 NON OP CAP CR	523,959	444,123	-15.24%	540,000	-17.76%	-	-	#DIV/0!	290,000	-100.00%
16 NON OP MARGINS OTHER	(1,610,085)	(1,569,209)	2.54%	(1,259,788)	-24.56%	(173,706)	(156,231)	10.06%	(99,397)	-57.18%
17 NET MARGINS	711,229	472,824	-33.52%	(117,411)	502.71%	353,324	236,779	-32.99%	527,697	-55.13%
18 OPERATING TIER	1.827	1.713		1.231		3.133	2.815		2.548	
19 NET TIER	1.347	1.226		0.946		2.463	2.126		3.501	
20 MDSC	1.29	1.26								
21 KWH PURCHASED	217,536,773	200,143,827	-8.00%	207,323,413	-3.46%	13,660,245	16,096,676	17.84%	14,682,178	9.63%
22 COST PER KWH	0.07725	0.07709	-0.21%	0.07813	1.33%	0.09167	0.07817	-14.73%	0.09877	-20.86%
23 KWH SOLD	197,064,316	183,165,807	-7.05%	184,528,491	-0.74%	14,614,271	14,604,152	-0.07%	13,531,961	7.92%
24 KW - MONTH	29,776	30,309		30,309		29,776	30,309		30,309	
25 NUMBER REC SERVICE	12,621	12,713	0.73%	12,516	1.57%	12,621	12,713	0.73%	12,516	1.57%
26 AVG REVENUE PER CONSUMER	\$2,410.82	\$2,328.18	-3.43%	\$2,336.50	-0.36%	\$236.87	\$229.58	-3.08%	\$241.21	4.82%
27 MILES OF LINE	2,758	2,762		2,762		2,758	2,762		2,762	
28 COST PER MILE	\$8,604.65	\$8,191.66	-4.80%	\$8,472.50	-3.31%	\$697.05	\$712.62	2.23%	\$780.85	-8.74%
29 AVG REV PER KWH SOLD	0.154	0.162	4.66%	0.158	1.97%	0.205	0.200	-2.31%	0.223	-10.42%

**NAAI:H59TIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION
FINANCIAL AND STATISTICAL REPORT**

BORROWER NAME San Luis Valley Rural Electric Cooperat
BORROWER DESIGNATION CO014
ENDING DATE 10/31/2019

Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar.

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

Signature of Office Manager or Accountant _____ Date _____

Signature of Manager _____ Date _____

AUTHORIZATION CHOICES

A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?

B. Will you authorize CFC to share your data with other cooperatives?

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	30,426,912	29,598,127	29,243,669	2,918,640
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	16,804,621	15,429,263	16,198,460	1,258,315
4. Transmission Expense	505,016	547,491	505,049	50,447
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	1,668,920	1,646,609	1,717,626	185,765
7. Distribution Expense - Maintenance	1,671,550	1,831,963	1,731,308	158,166
8. Consumer Accounts Expense	916,936	957,405	940,595	95,257
9. Customer Service and Informational Expense	218,669	187,125	191,046	11,842
10. Sales Expense	68,916	61,885	89,906	3,774
11. Administrative and General Expense	1,876,996	1,963,619	2,027,062	204,699
12. Total Operation & Maintenance Expense (2 thru 11)	23,731,623	22,625,359	23,401,052	1,968,265
13. Depreciation & Amortization Expense	2,685,731	3,001,378	2,934,000	302,165
14. Tax Expense - Property & Gross Receipts	0	0	0	0
15. Tax Expense - Other	0	0	0	0
16. Interest on Long-Term Debt	2,047,227	2,090,266	2,160,000	210,224
17. Interest Charged to Construction (Credit)	0	0	0	0
18. Interest Expense - Other	266,308	379,660	235,500	47,944
19. Other Deductions	3,410	12,037	14,500	8,500
20. Total Cost of Electric Service (12 thru 19)	28,734,299	28,108,701	28,745,052	2,537,098
21. Patronage Capital & Operating Margins (1 minus 20)	1,692,614	1,489,426	498,617	381,542
22. Non Operating Margins - Interest	104,742	108,484	103,760	11,468
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	0	0	0	0
25. Non Operating Margins - Other	(1,610,085)	(1,569,209)	(1,259,788)	(156,231)
26. Generation & Transmission Capital Credits	0	0	0	0
27. Other Capital Credits & Patronage Dividends	523,959	444,123	540,000	0
28. Extraordinary Items	0	0	0	0
29. Patronage Capital or Margins (21 thru 28)	711,229	472,824	(117,411)	236,779

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	73	23	5. Miles Transmission	81	81
2. Services Retired	25	24	6. Miles Distribution Overhead	2,141	2,149
3. Total Services In Place	12,595	12,713	7. Miles Distribution Underground	530	532
4. Idle Services (Exclude Seasonal)	197	201	8. Total Miles Energized (5+6+7)	2,752	2,762

CFC FINANCIAL AND STATISTICAL REPORT				BORROWER DESIGNATION CO014			
				YEAR ENDING		10/31/2019	
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	6,365	6,364	6,368	6,373	6,382	6,394
	b. KWH Sold	7,709,123	6,541,671	5,805,553	4,310,087	4,135,850	3,384,077
	c. Revenue	1,166,098	1,017,230	931,977	758,039	752,379	694,915
2. Residential Sales - Seasonal	a. No. Consumers Served	2,224	2,224	2,224	2,224	2,225	2,226
	b. KWH Sold	1,383,927	1,181,855	1,062,108	700,558	785,860	766,538
	c. Revenue	223,877	200,315	189,427	164,044	190,932	206,875
3. Irrigation Sales	a. No. Consumers Served	2,607	2,607	2,607	2,607	2,607	2,608
	b. KWH Sold	173,130	267,603	246,045	1,652,920	8,026,653	17,510,092
	c. Revenue	447,645	456,136	461,142	948,056	1,555,603	2,101,596
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	1,432	1,434	1,436	1,436	1,437	1,441
	b. KWH Sold	4,839,601	4,238,452	4,210,934	3,681,031	3,799,751	3,614,341
	c. Revenue	655,921	595,197	587,336	494,531	511,992	488,500
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	1	1	1	1	1	1
	b. KWH Sold	508,800	472,800	481,200	274,800	188,400	79,200
	c. Revenue	55,726	53,229	53,381	31,516	16,186	9,213
6. Public Street & Highway Lighting	a. No. Consumers Served	3	3	3	3	3	3
	b. KWH Sold	4,785	4,785	4,785	4,785	4,785	4,785
	c. Revenue	663	663	663	702	702	702
7. Other Sales to Public Authority	a. No. Consumers Served						
	b. KWH Sold						
	c. Revenue						
8. Sales for Resales-REA Borrowers	a. No. Consumers Served						
	b. KWH Sold						
	c. Revenue						
9. Sales for Resales-Other	a. No. Consumers Served						
	b. KWH Sold						
	c. Revenue						
10. TOTAL No. of Consumers (lines 1a thru 9a)		12,632	12,633	12,639	12,644	12,655	12,673
11. TOTAL KWH Sold (lines 1b thru 9b)		14,619,366	12,707,166	11,810,625	10,624,181	16,941,299	25,359,033
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		2,549,930	2,322,768	2,223,926	2,396,888	3,027,794	3,501,800
13. Other Electric Revenue		6,784	11,842	12,814	15,734	15,179	14,676
14. KWH - Own Use		158,882	127,590	98,713	106,312	41,067	51,514
15. TOTAL KWH Purchased		16,456,996	14,193,147	12,994,420	11,985,522	18,925,131	27,219,964
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		1,021,453	1,029,046	922,255	930,172	1,635,485	2,112,836
18. Interchange - KWH - Net							
19. Peak - Sum All KW Input (Metered) Non-coincident _____ Coincident _____		25,527	22,661	19,679	22,276	43,693	50,403

CFC Form 7 (Rev. 12/99)

**CFC
FINANCIAL AND STATISTICAL REPORT**

BORROWER DESIGNATION

CO014

YEAR ENDING

10/31/2019

PART R. POWER REQUIREMENTS DATA BASE

LINE ITEM NUMBER		JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1	a.	6,404	6,409	6,414	6,419			
	b.	3,476,058	3,340,055	3,268,483	4,436,412			46,407,369
	c.	661,119	683,790	681,954	783,726			8,131,227
2	a.	2,225	2,225	2,225	2,225			
	b.	883,292	750,997	686,672	899,206			9,101,013
	c.	222,067	204,184	198,603	201,917			2,002,240
3	a.	2,609	2,609	2,609	2,611			
	b.	25,844,991	17,931,480	8,387,405	3,867,524			83,907,843
	c.	2,526,271	2,152,466	1,612,869	1,253,612			13,515,395
4	a.	1,439	1,448	1,450	1,454			
	b.	3,954,038	3,820,131	4,010,028	5,247,425			41,415,732
	c.	506,365	505,572	560,373	646,747			5,552,534
5	a.	1	1	1	1			
	b.	44,400	39,600	48,000	148,800			2,286,000
	c.	4,387	3,730	6,945	19,590			253,902
6	a.	3	3	3	3			
	b.	4,785	4,785	4,785	4,785			47,850
	c.	702	702	702	702			6,905
7	a.							
	b.							0
	c.							0
8	a.							
	b.							0
	c.							0
9	a.							
	b.							0
	c.							0
10		12,681	12,695	12,702	12,713	0	0	
11		34,207,564	25,887,048	16,405,373	14,604,152	0	0	183,165,807
12		3,920,912	3,550,444	3,061,445	2,906,295	0	0	29,462,202
13		14,268	12,820	21,108	13,181			138,405
14		55,210	56,024	47,503	91,320			834,135
15		36,525,877	27,751,797	17,994,297	16,096,676			200,143,827
16		0	0	0	0	0	0	
17		2,705,836	2,105,602	1,536,309	1,258,315			15,257,310
18		61,693	49,372	40,735	30,309			
19								

2018-2019 Power Bill Comparison

Tri- State G & T

	Demand	KWH	115 kWh	115 Adjustments	Products & Svcs Credits	GEN DMD 10.25	TRANS DMD 9.09	ENERGY 0.042040	TOTAL	TOTAL MILLS	GENERATION MILLS
Jan-18	19,641	13,370,574	426,939	(28,601.10)	(9,358.90)	201,320.25	178,536.69	580,047.45	922,224.83	68.9742	58.44
Feb-18	19,443	11,491,357	401,060	(25,961.85)	-	199,290.75	176,736.87	499,957.21	850,303.42	73.9950	60.85
Mar-18	18,434	11,560,375	685,662	(38,784.49)	-	188,948.50	167,565.06	514,823.40	832,832.91	72.0420	60.88
Apr-18	32,044	14,202,747	833,112	(51,349.72)	-	328,451.00	291,279.96	632,107.51	1,200,769.19	84.5449	67.63
May-18	50,792	26,548,262	969,719	(60,148.82)		520,618.00	461,699.28	1,156,855.92	2,079,304.82	78.3217	63.19
Jun-18	71,754	34,816,868	872,743	(53,968.08)		735,478.50	652,243.86	1,500,391.25	2,834,425.97	81.4096	64.22
Jul-18	73,281	38,165,010	706,887	(58,057.97)		751,130.25	666,124.29	1,634,174.55	2,993,651.56	78.4397	62.50
Aug-18	49,127	28,572,326	623,830	(47,960.18)		503,551.75	446,564.43	1,227,406.40	2,129,842.84	74.5422	60.58
Sep-18	34,741	16,820,895	609,035	(39,572.41)		356,095.25	315,795.69	732,754.26	1,365,353.23	81.1701	64.73
Oct-18	29,776	15,721,072	439,234	(27,233.83)		305,204.00	270,663.84	679,379.26	1,228,293.71	78.1304	62.63
YTD 2018		211,269,486	6,568,221	(431,638)	(9,359)	4,090,088.25	3,627,209.97	9,157,897.20	16,437,002.47	77.8011	62.7066

	Demand	KWH	115 kWh	115 Adjustments	Products & Svcs Credits	GEN DMD 10.25	TRANS DMD 9.09	ENERGY 0.042040	TOTAL	TOTAL MILLS	GENERATION MILLS
Jan-19	25,527	16,086,874	367,380	(25,101.63)	-	261,651.75	232,040.43	691,736.84	1,160,607.83	72.1463	59.27
Feb-19	22,661	13,672,124	517,838	(34,393.24)		232,275.25	205,988.49	596,546.00	1,000,696.94	73.1925	60.62
Mar-19	19,679	12,432,583	559,003	(35,057.97)		201,709.75	178,882.11	546,166.28	891,980.61	71.7454	60.15
Apr-19	22,276	11,221,550	760,637	(48,850.73)		228,329.00	202,488.84	503,731.14	885,978.69	78.9533	65.24
May-19	43,693	17,992,965	927,911	(60,760.62)		447,853.25	397,169.37	795,433.63	1,579,976.07	87.8108	69.10
Jun-19	50,403	26,245,365	969,900	(63,793.92)		516,630.75	458,163.27	1,144,129.74	2,055,410.28	78.3152	63.28
Jul-19	61,693	35,561,869	958,330	(84,006.85)		632,353.25	560,789.37	1,535,309.17	2,644,725.38	74.3697	60.95
Aug-19	49,372	26,955,552	791,106	(66,604.65)		506,063.00	448,791.48	1,166,469.50	2,054,999.77	76.2366	62.05
Sep-19	40,735	17,308,479	681,028	(46,810.15)		417,533.75	370,281.15	756,278.87	1,497,564.06	86.5220	67.82
Oct-19	30,309	15,509,597	582,774	(36,366.65)		310,667.25	275,508.81	676,523.28	1,226,613.13	79.0874	63.65
YTD 2019		192,986,958	7,115,907	\$(501,746.41)	\$-	\$ 3,755,067.00	\$ 3,330,103.32	\$ 8,412,324.44	\$ 14,998,552.75	77.7180	63.0477

Penitente Solar

	KWH						ENERGY	TOTAL	MILLS
							0.051450		
Jan-18	392,337						20,185.74	20,185.74	51.4500
Feb-18	367,347						18,899.98	18,899.98	51.4500
Mar-18	639,679						32,911.48	32,911.48	51.4500
Apr-18	679,254						34,947.62	34,947.62	51.4500
May-18	720,657						37,077.80	37,077.80	51.4500
Jun-18	752,803						38,731.71	38,731.71	51.4500
Jul-18	668,131						34,375.34	34,375.34	51.4500
Aug-18	589,671						30,338.57	30,338.57	51.4500
Sep-18	574,316						29,548.56	29,548.56	51.4500
Oct-18	390,679						20,100.43	20,100.43	51.4500
YTD 2018	5,774,874						\$ 297,117.24	\$ 297,117.24	51.4500

Penitente Solar

	KWH						ENERGY	TOTAL	MILLS
							0.052480		
Jan-19	334,764						17,223.61	17,223.61	51.4500
Feb-19	479,444						25,161.22	25,161.22	52.4800
Mar-19	519,714						27,274.59	27,274.59	52.4800
Apr-19	603,885						31,691.88	31,691.88	52.4800
May-19	662,815						34,784.53	34,784.53	52.4800
Jun-19	713,150						37,426.11	37,426.11	52.4800
Jul-19	697,590						36,609.52	36,609.52	52.4800
Aug-19	586,080						30,757.48	30,757.48	52.4800
Sep-19	597,760						31,370.44	31,370.44	52.4800
Oct-19	549,590						28,842.48	28,842.48	52.4800
YTD 2019	5,744,792						\$ 301,141.88	\$ 301,141.88	52.4200

SAN LUIS VALLEY RURAL ELECTRIC CO-OP INC.

SUMMARY OF CASH & INVESTMENTS
OCTOBER 31, 2019

SHORT TERM:

	Date Purchased	Date Mature	Interest Rate	Amount
Cash - General Funds & Construction Fund:				
Cash Drawers				\$ 1,175.00
Bank Accounts:				
Community Banks of Colorado				3,523.88
Del Norte Bank				1,193.35
1st Southwest Bank - Operating				902.90
San Luis Valley Federal Bank - Operating				620,828.06
San Luis Valley Federal Bank - Capital Credit				30,700.33
				<u>658,323.52</u>
Edward Jones Money Market				<u>-</u>
Certificates of Deposit:				
Alamosa State Bank	11/28/18	11/28/19	0.900%	100,000.00
Community Banks of Colorado	07/05/19	01/05/20	0.850%	100,000.00
Rio Grande Savings and Loan	09/12/19	09/12/20	1.350%	100,000.00
Sunflower Bank	09/19/19	09/19/20	0.896%	50,014.16
Total Short Term CD's				<u>350,014.16</u>
Total Short Term Cash & Investments				<u>1,008,337.68</u>

LONG TERM INVESTMENTS:

Certificates of Deposit:				
San Luis Valley Savings and Loan	12/20/14	12/20/19	0.900%	100,000.00
Del Norte Federal Savings & Loan	12/22/14	12/22/19	3.100%	100,000.00
Community Bank of Colorado	11/28/15	11/28/19	0.850%	95,000.00
1st Southwest - Alamosa	01/04/15	01/04/20	2.000%	99,085.79
Sunflower Bank	09/19/18	09/19/23	1.342%	18,308.27
Sunflower Bank	01/20/19	07/20/20	0.995%	68,322.43
Total Long Term CD's				<u>480,716.49</u>
Edward D. Jones				
Certificates of Deposit:				
Bank of China	05/15/19	11/15/19	2.400%	30,000.00
Morgan Stanley	08/21/19	02/22/21	2.650%	35,000.00
Wells Fargo	02/28/19	02/28/22	2.800%	35,000.00
Total Edward G Jones CD's				<u>100,000.00</u>

					<u>Current Market Value</u>
Bonds and Notes :					
Univ of Colorado Bond	07/19/11	06/01/21	3.873%	65,000.00	65,720.20
Michigan Finance Authority	12/15/10	09/01/24	6.396%	35,000.00	20,451.20
Lansing Michican Bond	01/09/13	06/01/25	3.050%	20,000.00	41,557.95
New Jersey State Transportation	03/31/11	12/15/28	6.104%	20,000.00	20,800.00
Municipal Bond Pima County Arizona	05/20/10	07/01/29	6.339%	50,000.00	51,315.00
Municipal Bond Brighton Colorado	06/29/10	12/01/30	6.550%	95,000.00	99,123.00
Goldman Sachs Group	11/21/11	03/15/20	5.375%	40,000.00	40,483.60
JPMorgan Chase & Co.	03/25/10	03/25/20	4.950%	50,000.00	50,594.00
Duke Energy	05/17/11	07/15/20	3.750%	29,000.00	29,379.32
Amgen Inc Note	12/22/11	10/01/20	3.450%	40,000.00	40,521.20
JP Morgan Chase Bond	07/19/11	10/15/20	4.250%	12,000.00	12,270.36
Hewlett Packard Note	11/21/12	12/01/20	3.750%	4,000.00	4,065.28
CVS Caremark	05/17/11	05/15/21	4.125%	10,000.00	10,238.50
Encana Note	05/15/12	11/15/21	3.900%	30,000.00	30,751.50
Chevron Note	10/17/13	06/24/23	3.159%	45,000.00	46,864.80
NRUCFC Notes	02/16/12	02/15/25	3.300%	90,000.00	91,404.90
Morgan Stanley Medium Term Notes	10/12/17	07/27/26	3.180%	20,000.00	20,654.40
Verizon Communications Inc. Senior Notes	10/04/16	08/15/26	2.620%	30,000.00	30,417.60
Federal Farm Credit Bank	05/17/11	11/26/24	3.875%	60,000.00	66,222.60
Tennessee Valley Authority	10/04/16	03/15/35	3.007%	85,000.00	55,314.60
Total Bonds and Notes				<u>830,000.00</u>	<u>828,150.01</u>
Unrealized Gain (Loss) On Piper Securities					<u><u>(1,849.99)</u></u>
Other Long-Term Investments:					
CFC Capital Term Certificates				1,481,119.79	
Total Other				<u>1,481,119.79</u>	
Total Long-Term Investments				<u>2,891,836.28</u>	
TOTAL CASH AND INVESTMENTS				<u>3,900,173.96</u>	

SAN LUIS VALLEY RURAL ELECTRIC COOPERATIVE, INC.

STATEMENT OF CASH FLOWS
Comparison of the year to date and Budgeted
October 31, 2019

	Actual	Budgeted
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Margin	\$ 472,824	(117,285)
Adjustments to Reconcile Net Margin to Net Cash Provided by Operating Activities:		
Depreciation and Amortization Expenses	\$ 3,974,367	3,728,500
G&T Capital Credits	-	
Other Capital Credits & Patronage Dividends	(444,123)	
Decrease (Increase) In: Current and Accrued Assets		
Accounts Receivable - On Sales	(1,467,951)	
Accounts Receivable - Other	(40,420)	
Other Current & Accrued Assets	(3,531)	
Other Deferred Debits	(185,790)	
Prepayments	(280,243)	
Increase (Decrease) In: Current and Accrued Liabilities		
Accounts Payable	(89,060)	
Accumulated Operating Provisions	-	
Other Current & Accrued Liabilities	(601,675)	
Deferred Credits	508,598	
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,842,996	3,611,215
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchased) Sold Long Term Investments, net	(10,932)	-
Investments in Associated Organizations	242,875	-
Investment in Plant	(6,914,990)	(8,440,720)
NET CASH USED IN INVESTING ACTIVITIES	(6,683,047)	(8,440,720)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase(Decrease) in Long-Term Financing	-	6,874,000
Principal Payments on Long-Term Debt	(2,464,273)	(2,403,020)
Consumer Deposits Received (Paid)	307,662	-
Capital Refunds to Members	(428,355)	(100,000)
Short Term Note Payable	6,445,000	95,432
NET CASH USED IN FINANCING ACTIVITIES	3,860,034	4,466,412
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(980,017)	(363,093)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,988,685	1,600,000
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 1,008,668	\$ 1,236,907

SAN LUIS VALLEY RURAL ELECTRIC
2019 Budget

CAPITAL BUDGET

Transportation

	Budget	October Additions	YTD Additions	Budget Balance
Replace Unit 172 Large Material Handler	320,000		308,642	11,358
New Locator Pickup	45,000		35,300	9,700
New Operations Superintendent Pickup	45,000		46,765	(1,765)
New Chassis for #180 Foreman Truck	60,000	25,388	81,248	(21,248)
Additional 24 ft Multi-purpose Trailer (Tilt deck over axle)	15,500		-	15,500
Snowmobile for west serviceman	15,000		13,204	1,796
ATV for West Area Serviceman	12,000		10,260	1,740
Covered Trailer for Snowmobile and ATV West Area Serviceman	4,500		6,174	(1,674)
Backhoe Trailer	20,000		-	20,000
Digger Derrick Unit	145,000		-	145,000
2 Cranes for Foreman Trucks	26,000		13,163	12,837
Electric Vehicle	50,000		-	50,000
				-
Total	\$ 758,000	\$ 25,388	\$ 514,756	\$ 243,244

Operations

Drone for line patrol.	5,000		-	5,000
Underground Locator	11,000		10,214	786
Carport for Serviceman's truck	2,500		-	2,500
Fault Wizard	25,000		-	25,000
Add wash bay to new Building	43,000		-	43,000
Replace Pressure washer for truck garage	8,000		-	8,000
Stringing Dollies	25,000		-	25,000
Total	\$ 119,500	\$ -	\$ 10,214	\$ 109,286

Fiber & Network Admin

Computers & Laptops	15,000	337	6,211	8,790
I Sensor	5,000		-	5,000
GPS Clock for NOC	2,500		-	2,500
NOC Firewall	7,000		-	7,000
Radio Equip for Aspen to Center towers	4,500		-	4,500
GPS Locator	11,000		7,686	3,314
Portable Splicer	15,000		5,007	9,993
CMS Server	20,000		-	20,000
MicroTik			1,593	(1,593)
Generator		15,855	15,855	(15,855)
Total	\$ 80,000	\$ 16,191	\$ 80,000	\$ 43,649

Executive

Total	\$ -	\$ -	\$ -	\$ -
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WORK ORDER REPORT

October-19

UTILITES

	2018				2019			
	Number of Work Orders	Construction Costs	Retirement & Contribution	Amount Placed into Plant	Number of Work Orders	Construction Costs	Retirement & Contribution	Amount Placed into Plant
January	18	202,603.27	70,733.07	131,870.20	10	43,355.75	22,258.87	21,096.88
February	35	436,941.76	112,565.30	324,376.46	11	29,191.09	11,151.23	18,039.86
March	38	994,360.28	511,243.21	483,117.07	45	151,618.40	106,408.88	45,209.52
April	42	216,410.96	65,902.71	150,508.25	8	133,346.76	26,322.95	107,023.81
May	47	834,958.47	482,286.35	352,672.12	28	74,200.86	28,811.99	45,388.87
June	35	650,248.46	95,570.83	554,677.63	72	442,269.95	258,662.30	183,607.65
July	50	1,403,323.04	142,738.87	1,260,584.17	17	71,617.71	48,373.21	23,244.50
August	38	222,631.02	186,990.92	35,640.10	46	352,572.53	107,196.98	245,375.55
September	26	142,852.61	135,017.17	7,835.44	23	187,807.77	120,409.86	67,397.91
Total	44	345,455.88	205,750.24	139,705.64	260	1,485,980.82	729,596.27	756,384.55

THERE WERE 170 UTILITY WORK ORDERS OPEN AT THE END OF OCT

FIBER

	2018				2019			
	Number of Work Orders	Construction Costs	Retirement & Contribution	Amount Placed into Plant	Number of Work Orders	Construction Costs	Retirement & Contribution	Amount Placed into Plant
January				-	23	1,046,914.18	5,000.00	1,041,914.18
February	104	151,688.81	-	151,688.81	124	189,532.21	349.91	189,182.30
March	111	156,320.00	3,654.63	152,665.37	61	95,713.99	85.00	95,628.99
April	120	163,924.78	3,690.00	160,234.78	141	122,259.39	-	122,259.39
May	103	104,408.39	200.00	104,208.39	72	113,851.04	1,150.98	112,700.06
June	97	120,981.53	160.00	120,821.53	123	369,447.08	115,055.45	254,391.63
July	227	226,375.79	890.00	225,485.79	131	144,876.60	504.29	144,372.31
August	44	74,500.48	1,330.00	73,170.48	139	380,588.45	6,540.00	374,048.45
September	85	133,414.24	675.00	132,739.24	90	113,022.59		113,022.59
Total	891	1,131,614.02	10,599.63	1,121,014.39	904	\$2,576,205.53	\$128,685.63	\$2,447,519.90

THERE WERE 614 FIBER WORK ORDERS OPEN AT THE END OF OCT

CFC Loan & Principal Repayment Worksheet
8/1/2019 - 11/1/2019

Loan ID	Interest Rate	Final Payment Date	Repricing Date
17001	4.400%	01/31/2035	
17002	4.400%	01/31/2035	
17003	3.400%	10/31/2031	
17004	5.050%	01/31/2033	1/1/2028
18001	6.350%	07/31/2034	
18002	6.350%	07/31/2034	
18003	5.950%	07/31/2034	1/1/2019
18004	5.950%	07/31/2034	1/1/2019
19001	6.350%	04/01/2034	
19002	6.750%	01/01/2035	
19003	6.200%	08/01/2035	
19004	7.450%	08/01/2035	
19005	3.200%	10/31/2038	8/1/2018
21001	6.850%	10/31/2038	1/1/2025
21002	6.850%	10/31/2039	1/1/2025
21003	6.550%	10/31/2040	2/1/2026
21004	3.750%	01/31/2042	
21005	4.650%	10/31/2042	
21006	5.150%	02/01/2044	
22001	4.100%	01/31/2030	
22002	4.450%	01/31/2045	
22003	4.500%	04/30/2035	
22004	4.700%	04/30/2045	
22005	3.600%	04/30/2031	
22006	3.850%	04/30/2046	
22007	4.300%	04/30/2032	
22008	4.500%	04/30/2027	
22009	4.400%	04/30/2037	
22010	4.950%	07/31/2028	
22011	5.150%	07/31/2048	
22012	3.800%		

Total Electric Loans

Beginning	Principal Payment	Ending
\$ 2,506,848.27	\$ 28,414.17	\$ 2,478,434.10
\$ 547,786.50	\$ 6,208.96	\$ 541,577.54
\$ 1,682,816.22	\$ 27,829.93	\$ 1,654,986.29
\$ 1,330,798.17	\$ 17,340.36	\$ 1,313,457.81
\$ 1,392,660.02	\$ 14,056.24	\$ 1,378,603.78
\$ 1,392,660.02	\$ 14,056.24	\$ 1,378,603.78
\$ 1,397,521.44	\$ 15,649.02	\$ 1,381,872.42
\$ 1,488,888.43	\$ 16,672.12	\$ 1,472,216.31
\$ 3,185,911.71	\$ 20,932.33	\$ 3,164,979.38
\$ 2,990,961.57	\$ 27,698.52	\$ 2,963,263.05
\$ 2,405,694.78	\$ 22,245.98	\$ 2,383,448.80
\$ 2,795,299.48	\$ 20,237.02	\$ 2,775,062.46
\$ 1,015,224.32	\$ 7,918.28	\$ 1,007,306.04
\$ 1,572,998.03	\$ 9,988.82	\$ 1,563,009.21
\$ 1,809,073.50	\$ 10,478.44	\$ 1,798,595.06
\$ 3,719,827.80	\$ 20,458.92	\$ 3,699,368.88
\$ 1,602,477.95	\$ 12,685.85	\$ 1,589,792.10
\$ 1,983,444.52	\$ 11,948.98	\$ 1,971,495.54
\$ 2,319,525.92	\$ 11,718.78	\$ 2,307,807.14
\$ 1,213,686.54	\$ 23,267.68	\$ 1,190,418.86
\$ 1,571,169.35	\$ 8,359.42	\$ 1,562,809.93
\$ 775,769.80	\$ 8,527.61	\$ 767,242.19
\$ 465,921.29	\$ 2,348.85	\$ 463,572.44
\$ 853,792.58	\$ 14,674.19	\$ 839,118.39
\$ 1,621,469.01	\$ 8,733.63	\$ 1,612,735.38
\$ 808,584.87	\$ 11,986.56	\$ 796,598.31
\$ 1,304,630.68	\$ 5,962.01	\$ 1,298,668.67
\$ 840,056.18	\$ 7,868.61	\$ 832,187.57
\$ 598,424.76	\$ 13,295.16	\$ 585,129.60
\$ 2,636,436.80	\$ 9,953.10	\$ 2,626,483.70
\$ 1,610,000.00	\$ -	\$ 1,610,000.00
\$ 51,440,360.51	\$ 431,515.78	\$ 51,008,844.73

Payment	Interest Discounts	Paid
\$ 27,575.33	\$ (2,958.91)	\$ 24,616.42
\$ 6,025.65	\$ (646.56)	\$ 5,379.09
\$ 14,303.94	\$ (1,986.29)	\$ 12,317.65
\$ 16,801.33	\$ (1,570.78)	\$ 15,230.55
\$ 22,108.48	\$ (1,643.81)	\$ 20,464.67
\$ 22,108.48	\$ (1,643.81)	\$ 20,464.67
\$ 17,818.40	\$ (1,649.54)	\$ 16,168.86
\$ 18,983.33	\$ (1,757.40)	\$ 17,225.93
\$ 50,576.35	\$ (3,760.42)	\$ 46,815.93
\$ 50,472.48	\$ (3,530.33)	\$ 46,942.15
\$ 37,288.27	\$ (2,839.52)	\$ 34,448.75
\$ 52,062.45	\$ (3,299.36)	\$ 48,763.09
\$ 12,690.30	\$ (1,198.32)	\$ 11,491.98
\$ 26,937.59	\$ (1,856.66)	\$ 25,080.93
\$ 30,980.38	\$ (2,135.31)	\$ 28,845.07
\$ 60,912.18	\$ (4,390.61)	\$ 56,521.57
\$ 14,718.65	\$ (1,600.02)	\$ 13,118.63
\$ 23,057.54	\$ (2,341.13)	\$ 20,716.41
\$ 29,863.90	\$ (2,737.79)	\$ 27,126.11
\$ 12,440.29	\$ (1,432.55)	\$ 11,007.74
\$ 17,479.26	\$ (1,854.51)	\$ 15,624.75
\$ 8,727.41	\$ (915.67)	\$ 7,811.74
\$ 5,474.58	\$ (549.95)	\$ 4,924.63
\$ 7,684.13	\$ (1,007.75)	\$ 6,676.38
\$ 15,606.64	\$ (1,913.88)	\$ 13,692.76
\$ 8,692.29	\$ (954.41)	\$ 7,737.88
\$ 14,677.10	\$ (1,539.90)	\$ 13,137.20
\$ 9,240.62	\$ (991.54)	\$ 8,249.08
\$ 7,405.51	\$ (706.33)	\$ 6,699.18
\$ 33,944.12	\$ (3,111.87)	\$ 30,832.25
\$ 10,162.85	\$ (1,331.57)	\$ 8,831.28
\$ 686,819.83	\$ (59,856.50)	\$ 626,963.33

Loan ID	Interest Rate	Final Payment Date	Repricing Date
23001	3.650%	10/31/2024	
23002	4.150%	10/31/2034	
23003	3.750%	04/30/2025	
23004	4.500%	04/30/2035	
23005	3.350%	04/30/2026	
23006	3.700%	10/31/2035	
23007	3.560%		
24001	4.400%	10/31/2027	
24002	4.550%	10/31/2037	
24003	4.950%	07/31/2028	
24004	5.100%	07/31/2038	
24005	3.560%		

Total Broadband Loans

Total Loans

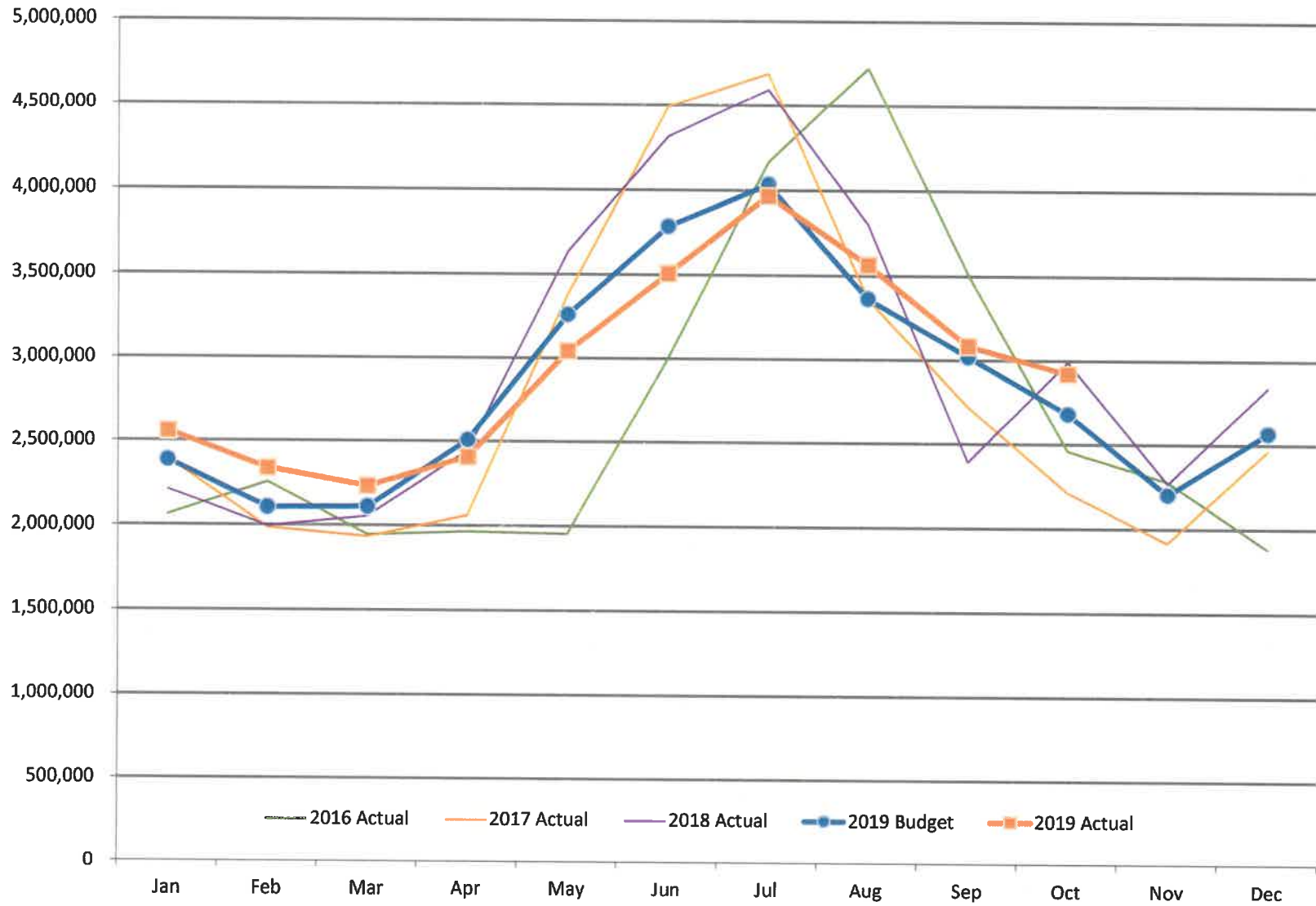
Beginning	Principal Payment	Ending
\$ 291,084.43	\$ 12,638.43	\$ 278,446.00
\$ 837,973.62	\$ 9,914.60	\$ 828,059.02
\$ 443,222.31	\$ 17,357.30	\$ 425,865.01
\$ 517,179.82	\$ 5,685.08	\$ 511,494.74
\$ 326,775.02	\$ 10,836.30	\$ 315,938.72
\$ 2,624,891.31	\$ 29,633.10	\$ 2,595,258.21
\$ 290,000.00	\$ -	\$ 290,000.00
\$ 1,273,862.28	\$ 32,228.22	\$ 1,241,634.06
\$ 3,843,510.24	\$ 34,064.37	\$ 3,809,445.87
\$ 1,044,941.76	\$ 23,215.39	\$ 1,021,726.37
\$ 2,654,005.50	\$ 20,898.14	\$ 2,633,107.36
\$ 630,000.00	\$ -	\$ 630,000.00
\$ 14,777,446.29	\$ 196,470.93	\$ 14,580,975.36

\$ 66,217,806.80 \$ 627,986.71 \$ 65,589,820.09

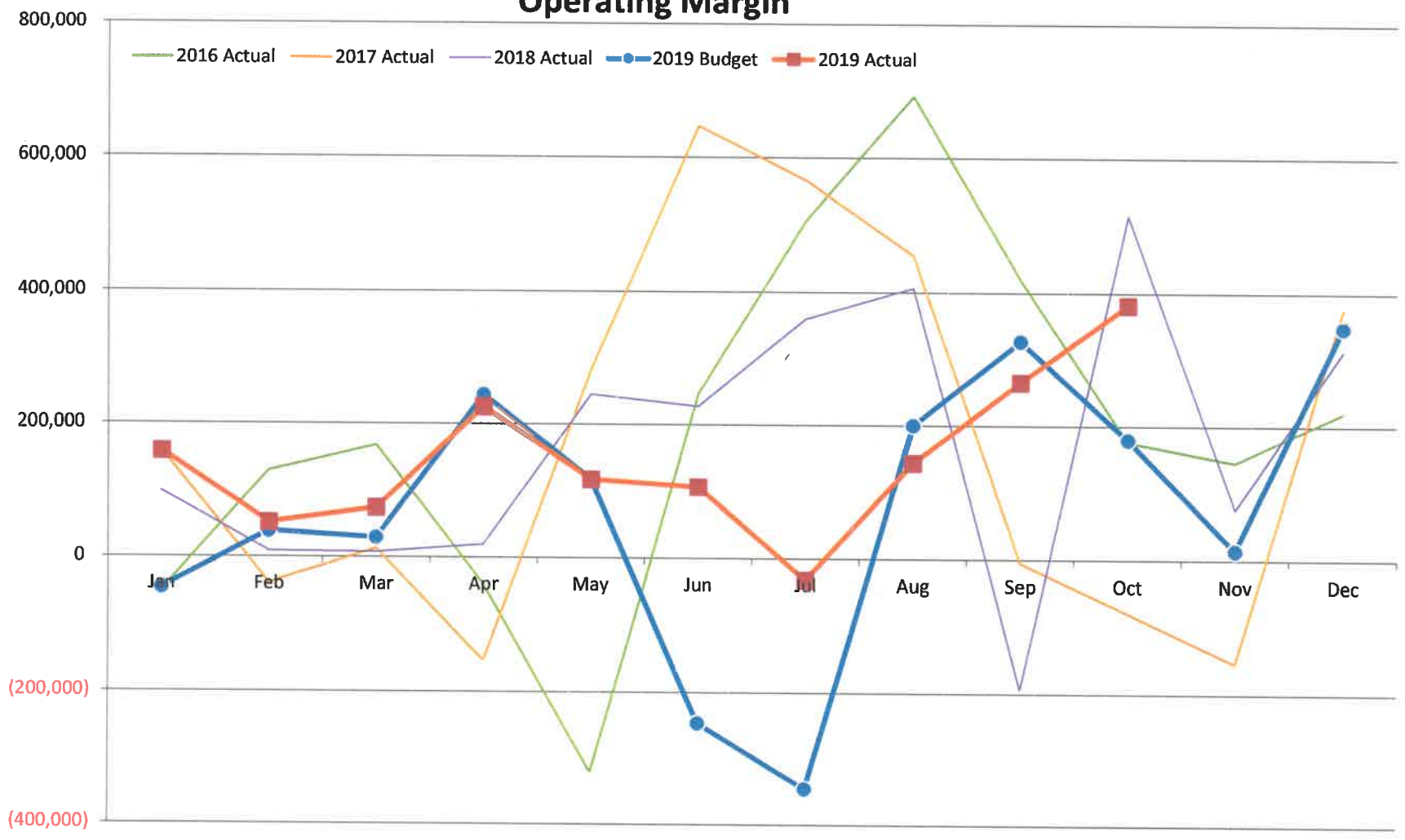
Payment	Interest Discounts	Paid
\$ 2,656.15	\$ (343.56)	\$ 2,312.59
\$ 8,693.98	\$ (989.09)	\$ 7,704.89
\$ 4,155.21	\$ (523.16)	\$ 3,632.05
\$ 5,818.27	\$ (610.46)	\$ 5,207.81
\$ 2,736.74	\$ (385.71)	\$ 2,351.03
\$ 24,280.24	\$ (3,098.23)	\$ 21,182.01
\$ 1,810.24	\$ (239.85)	\$ 1,570.39
\$ 14,012.49	\$ (1,503.58)	\$ 12,508.91
\$ 43,719.93	\$ (4,536.61)	\$ 39,183.32
\$ 12,931.15	\$ (1,233.38)	\$ 11,697.77
\$ 33,838.57	\$ (3,132.61)	\$ 30,705.96
\$ 3,932.58	\$ (521.05)	\$ 3,411.53
\$ 158,585.55	\$ (17,117.29)	\$ 141,468.26

\$ 845,405.38 \$ (76,973.79) \$ 768,431.59

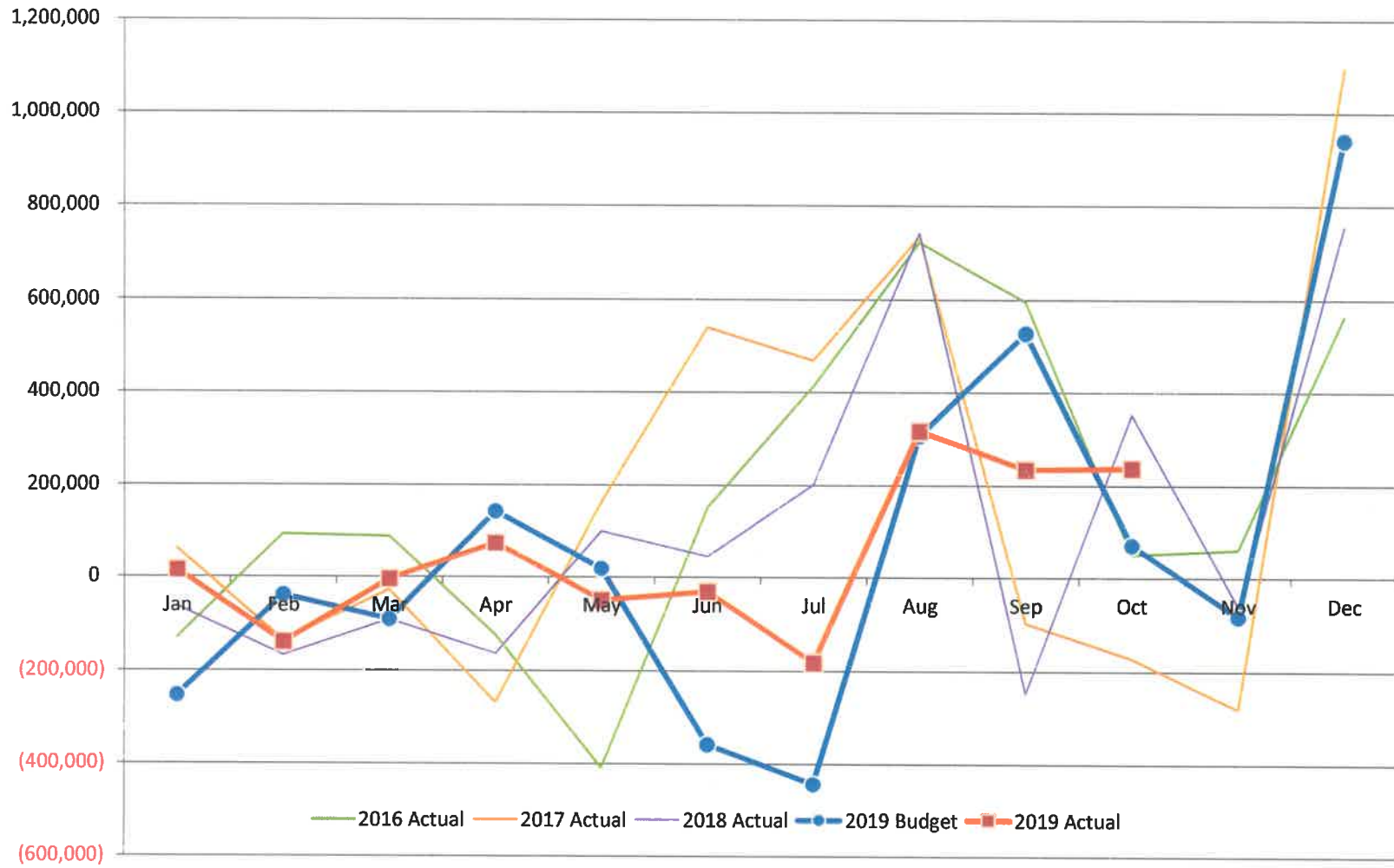
Operating Revenue



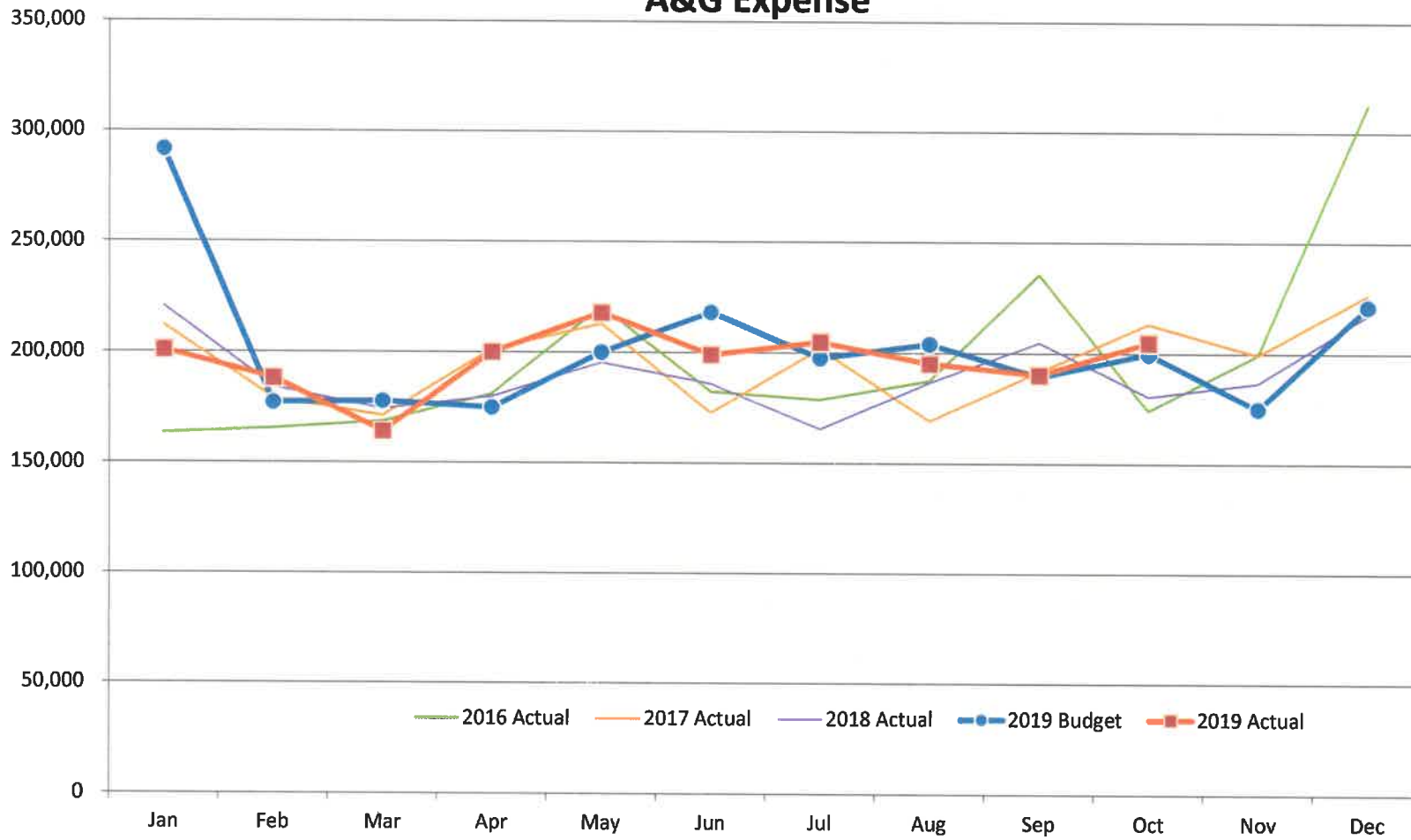
Operating Margin



Net Margin



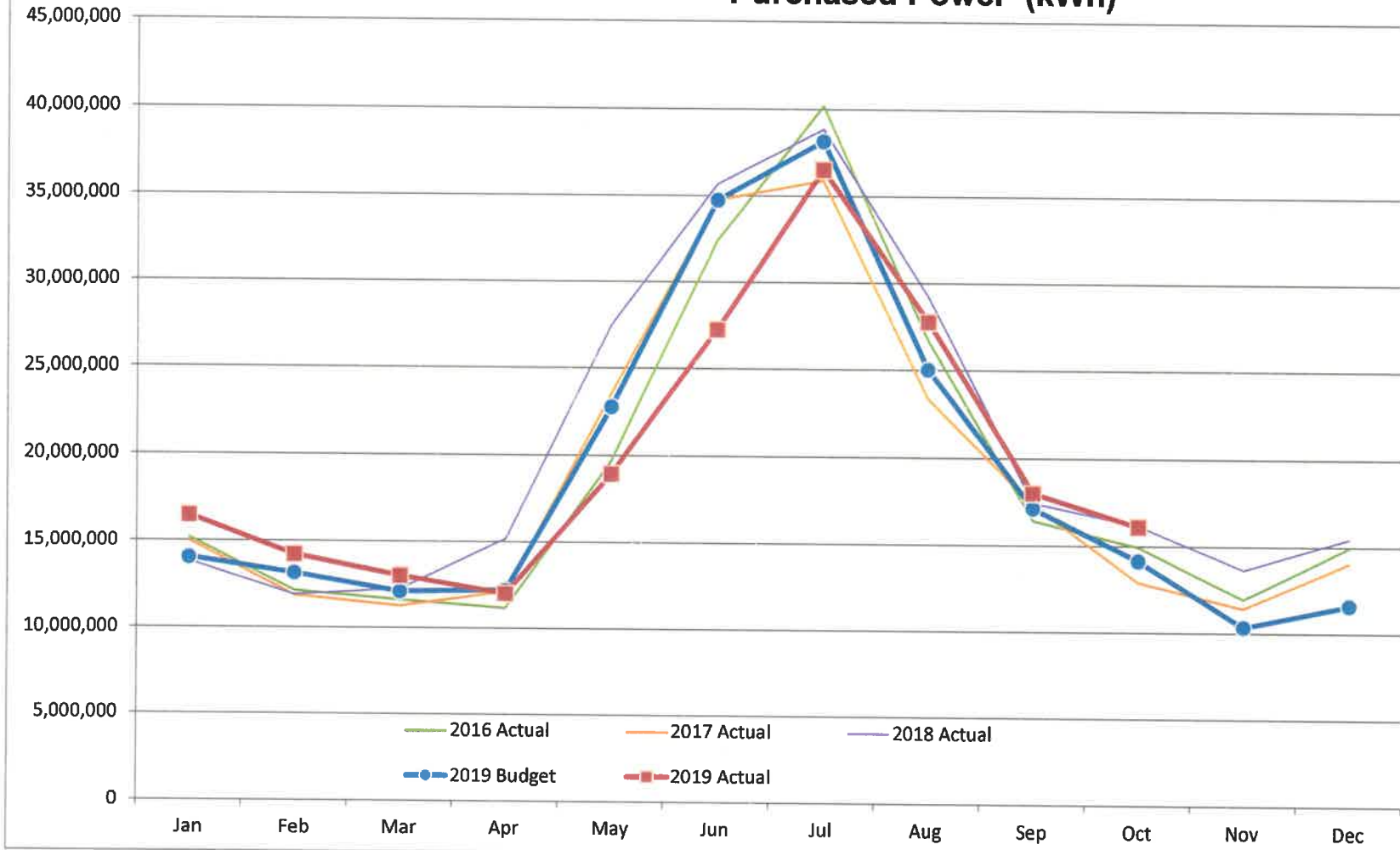
A&G Expense



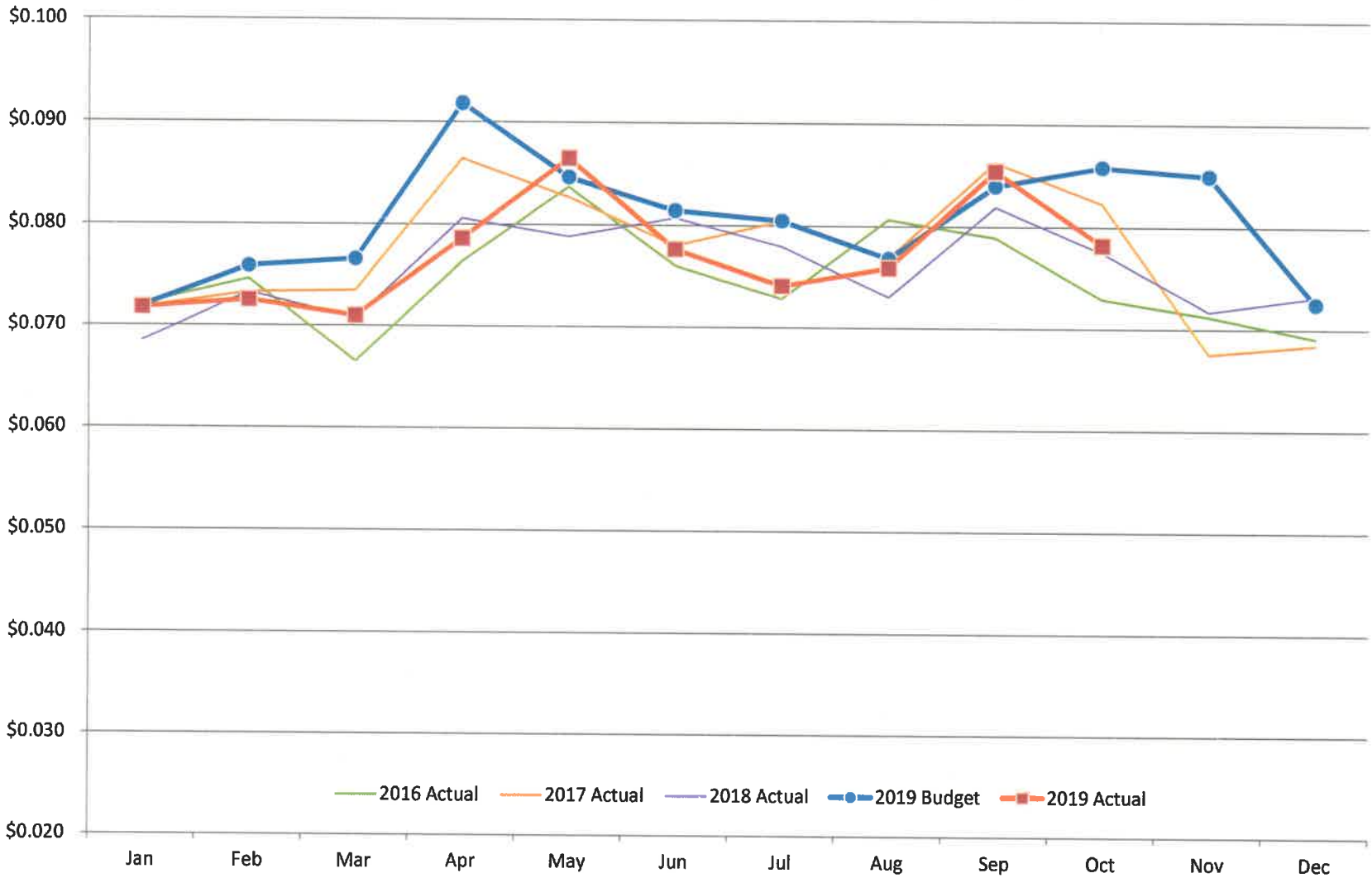
Cash



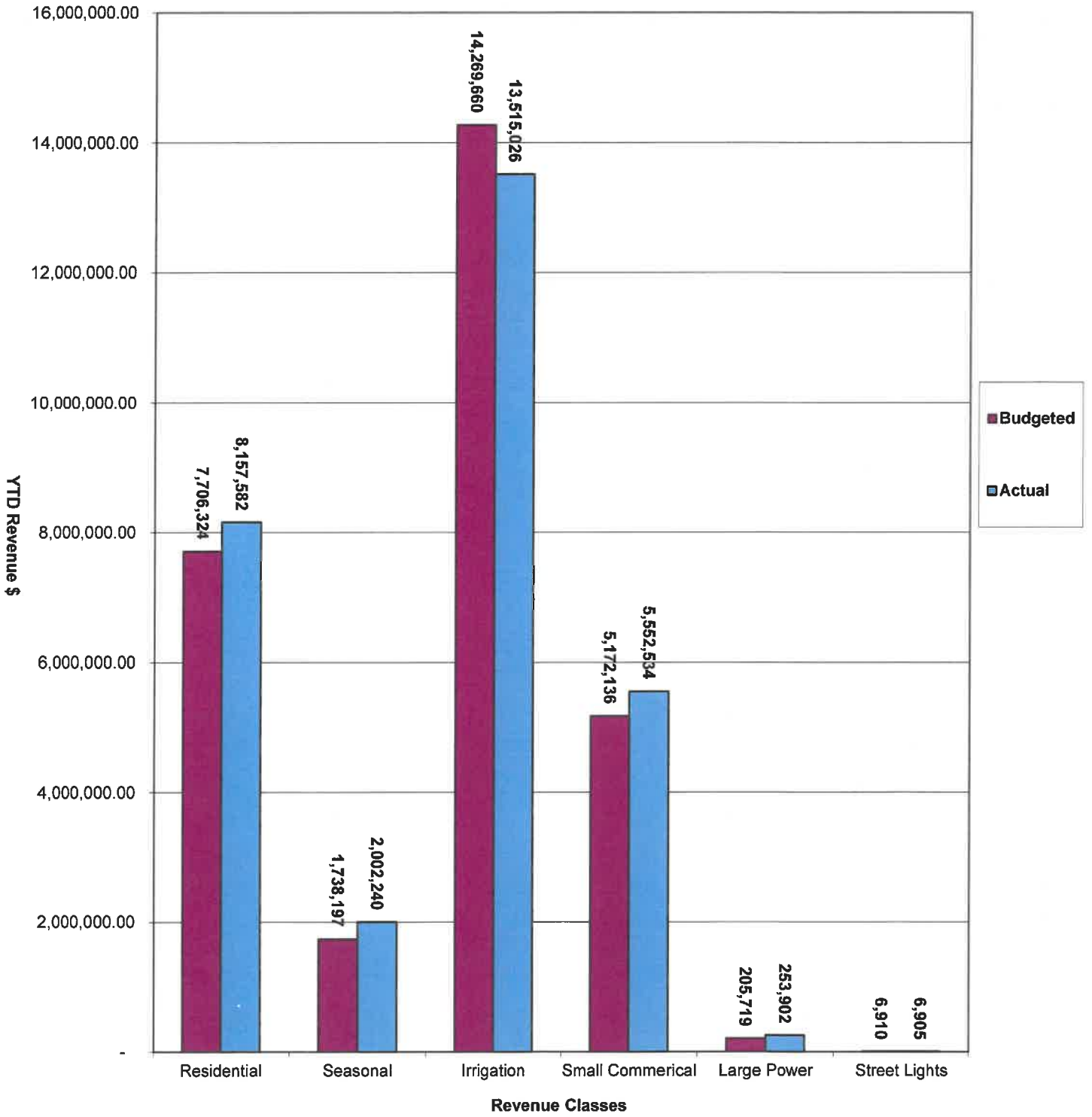
Purchased Power (kWh)



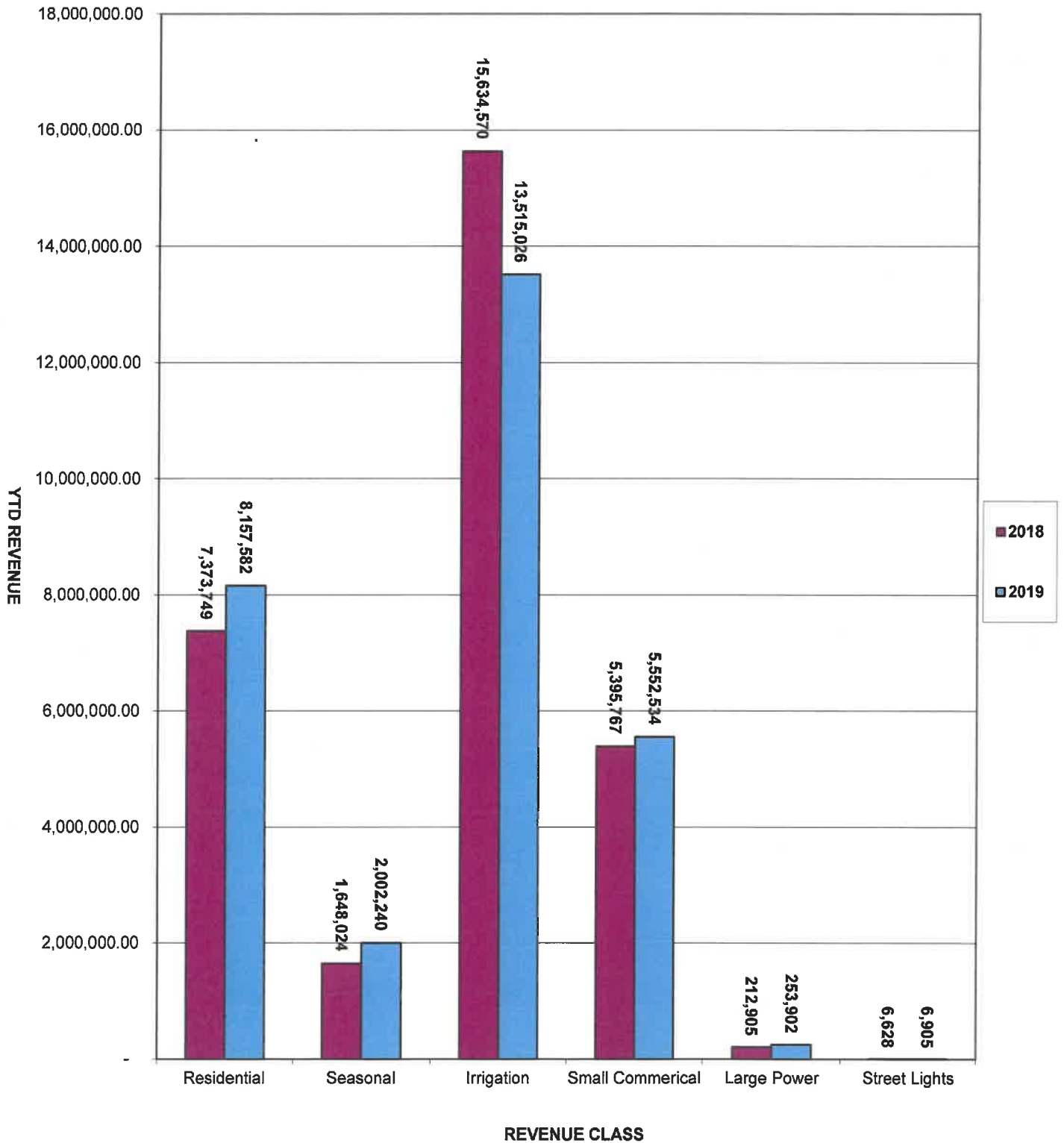
Purchased Power (\$/kWh)



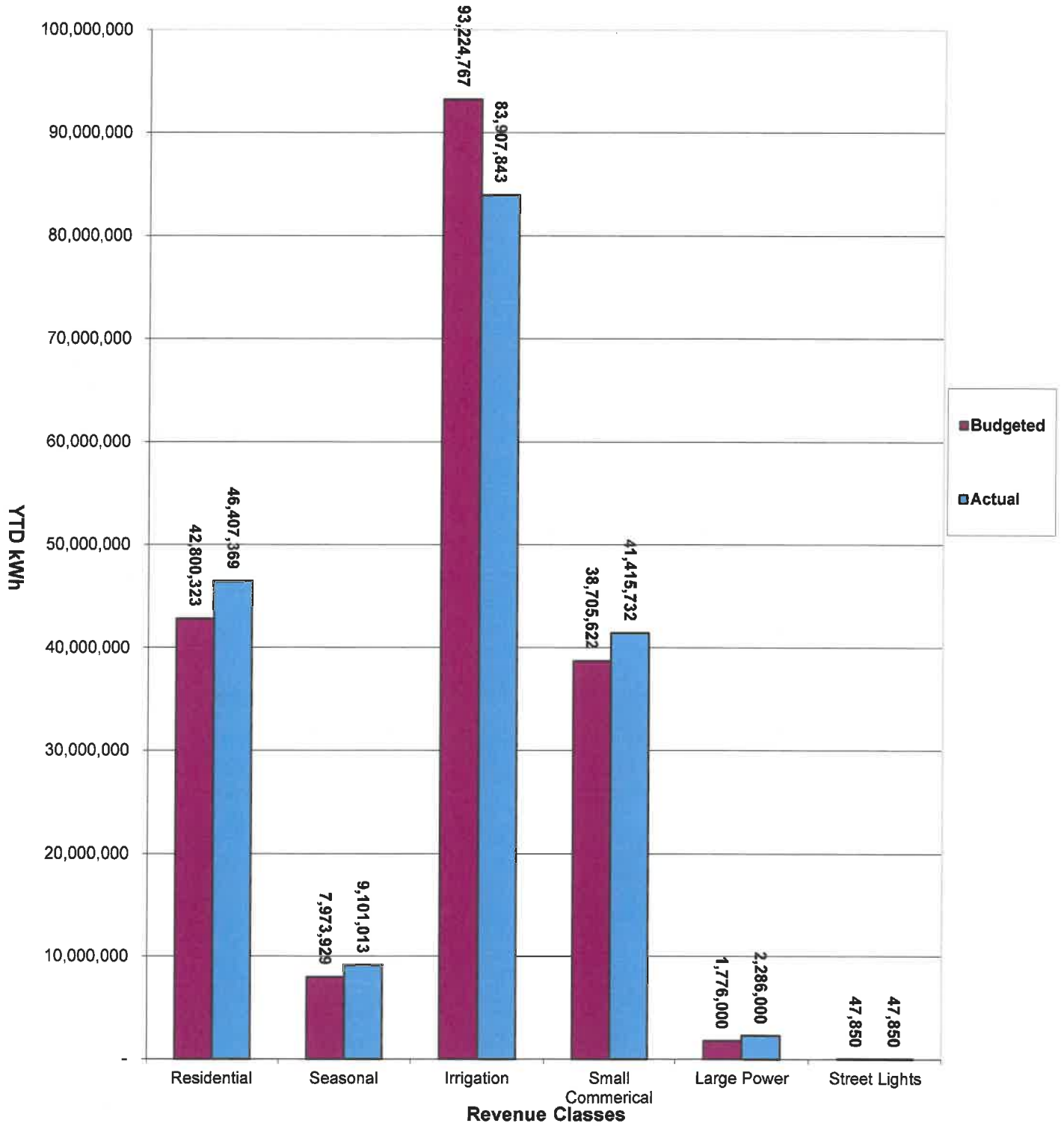
Budget to Actual Revenue by Revenue Class Comparison



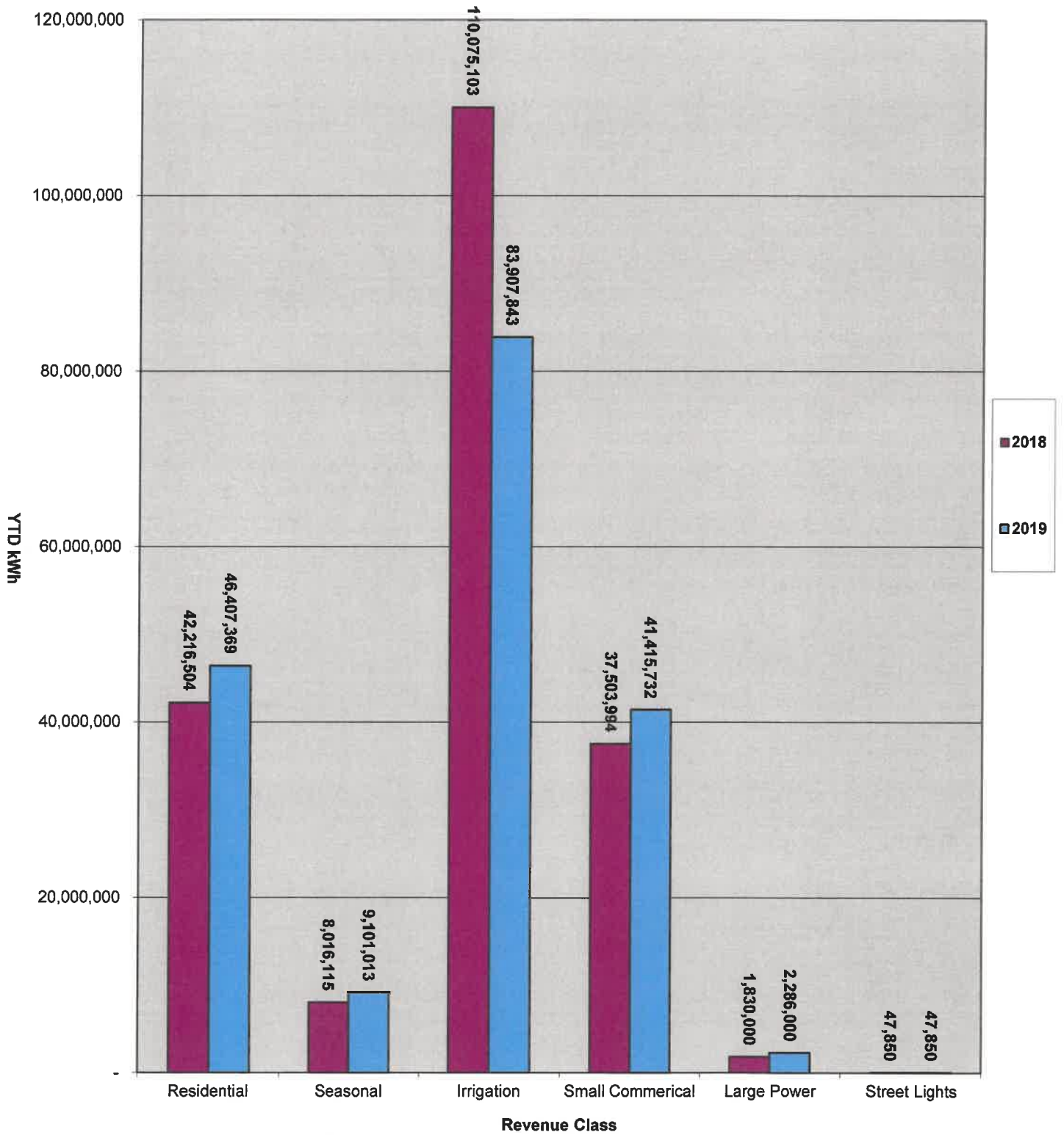
TWO YEAR REVENUE COMPARISON



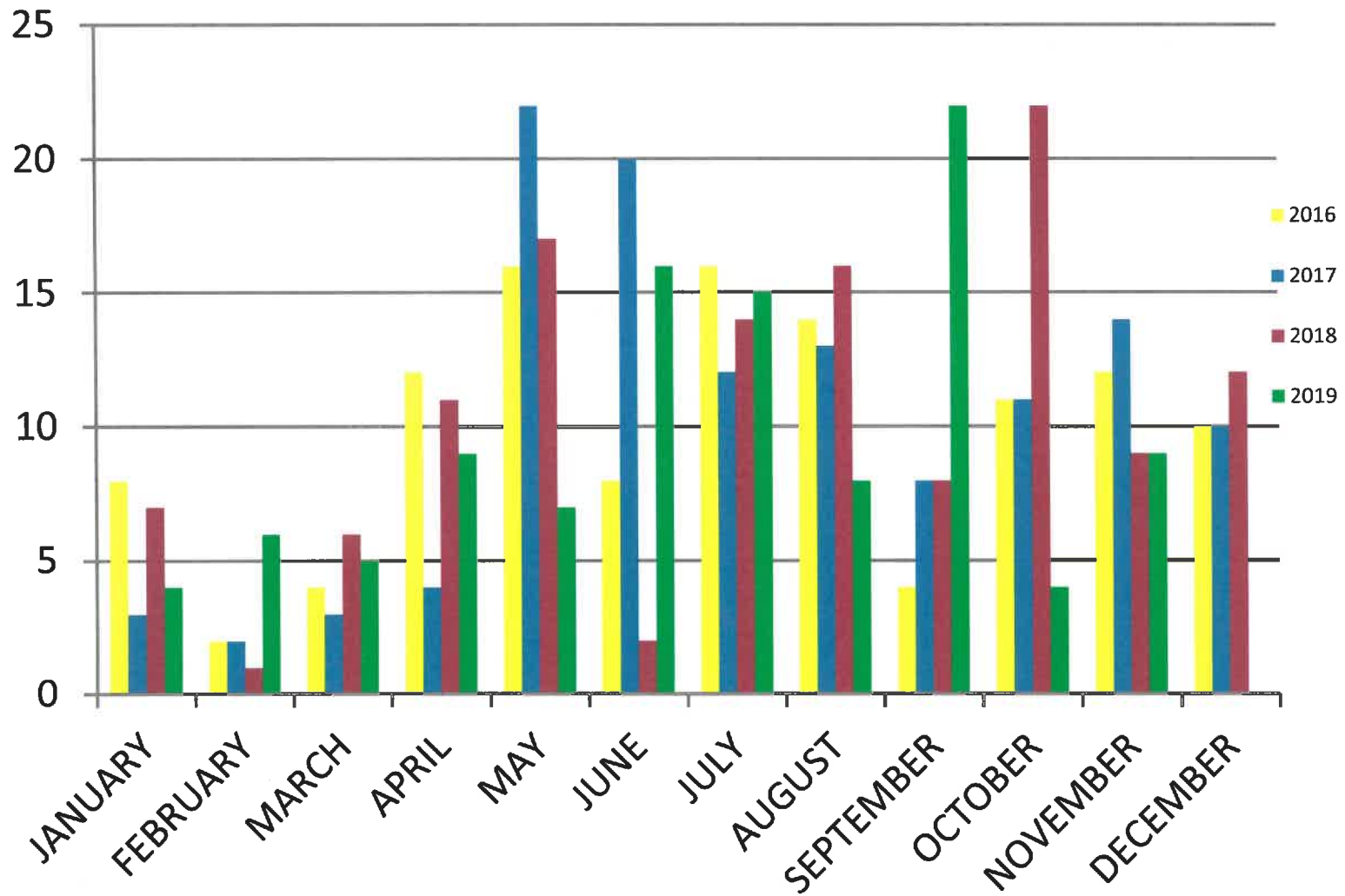
Budget to Actual YTD kWh by Revenue Class Comparison



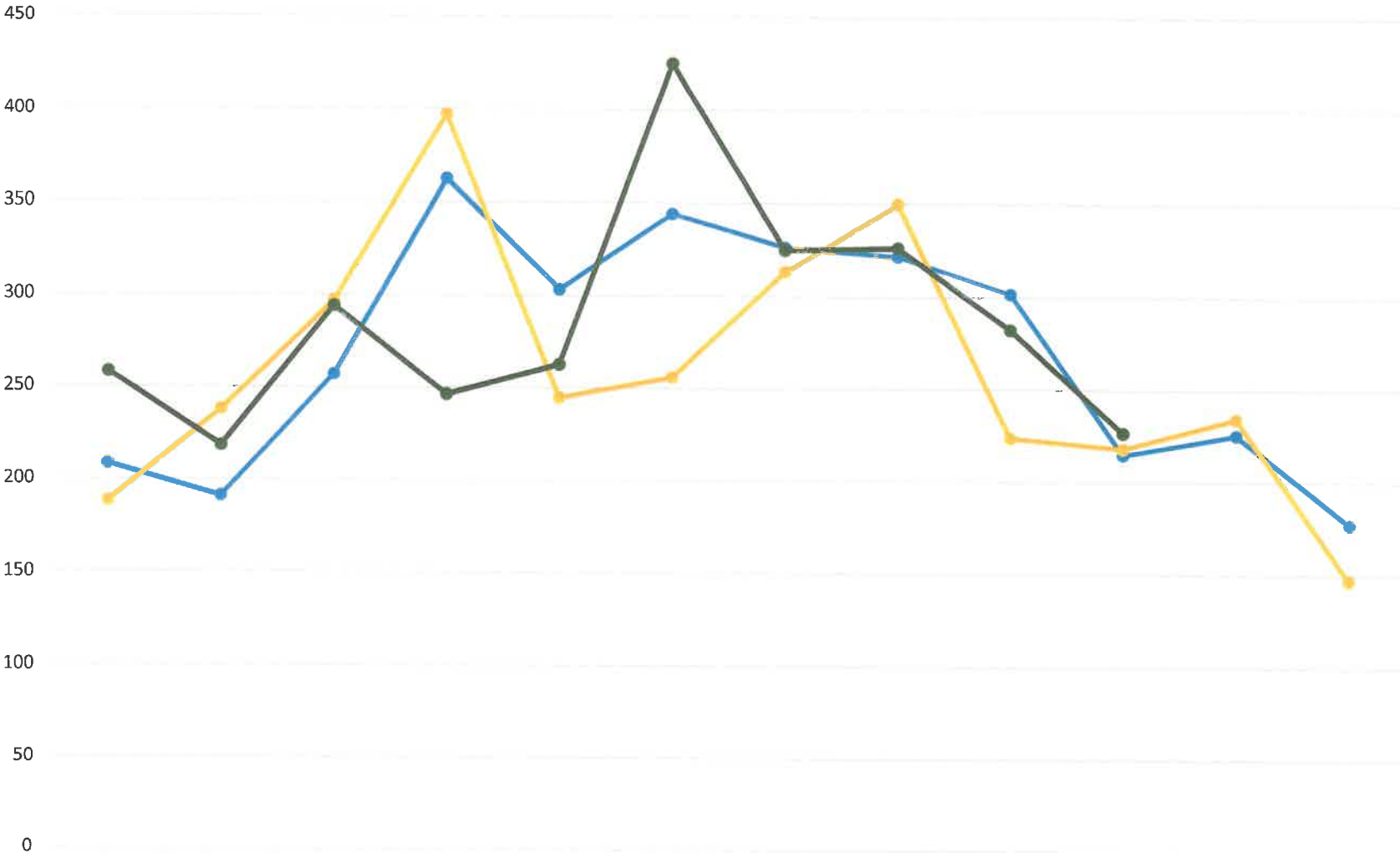
Two Year kWh Comparison by Revenue Class



New Services



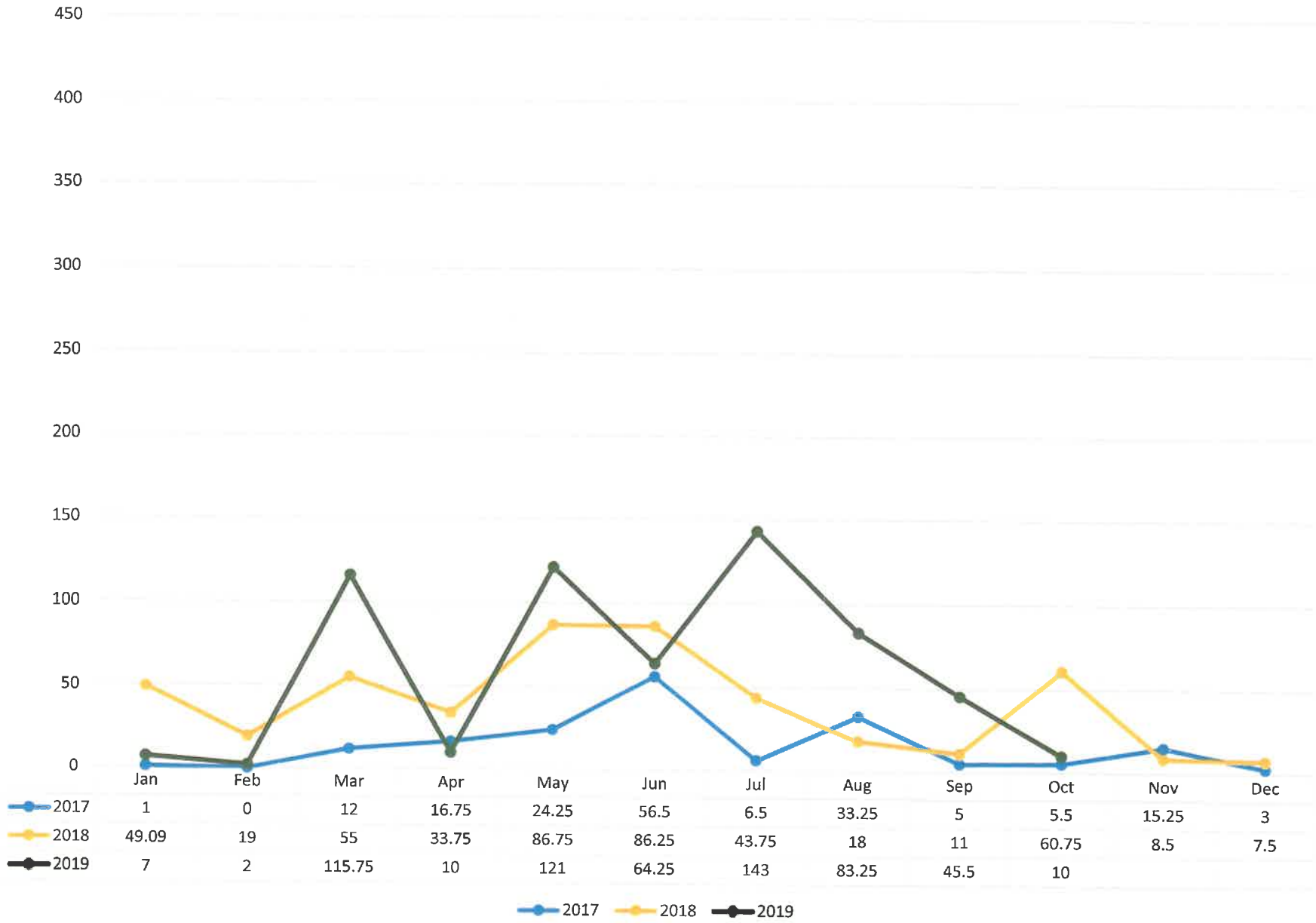
OUTAGE OVERTIME



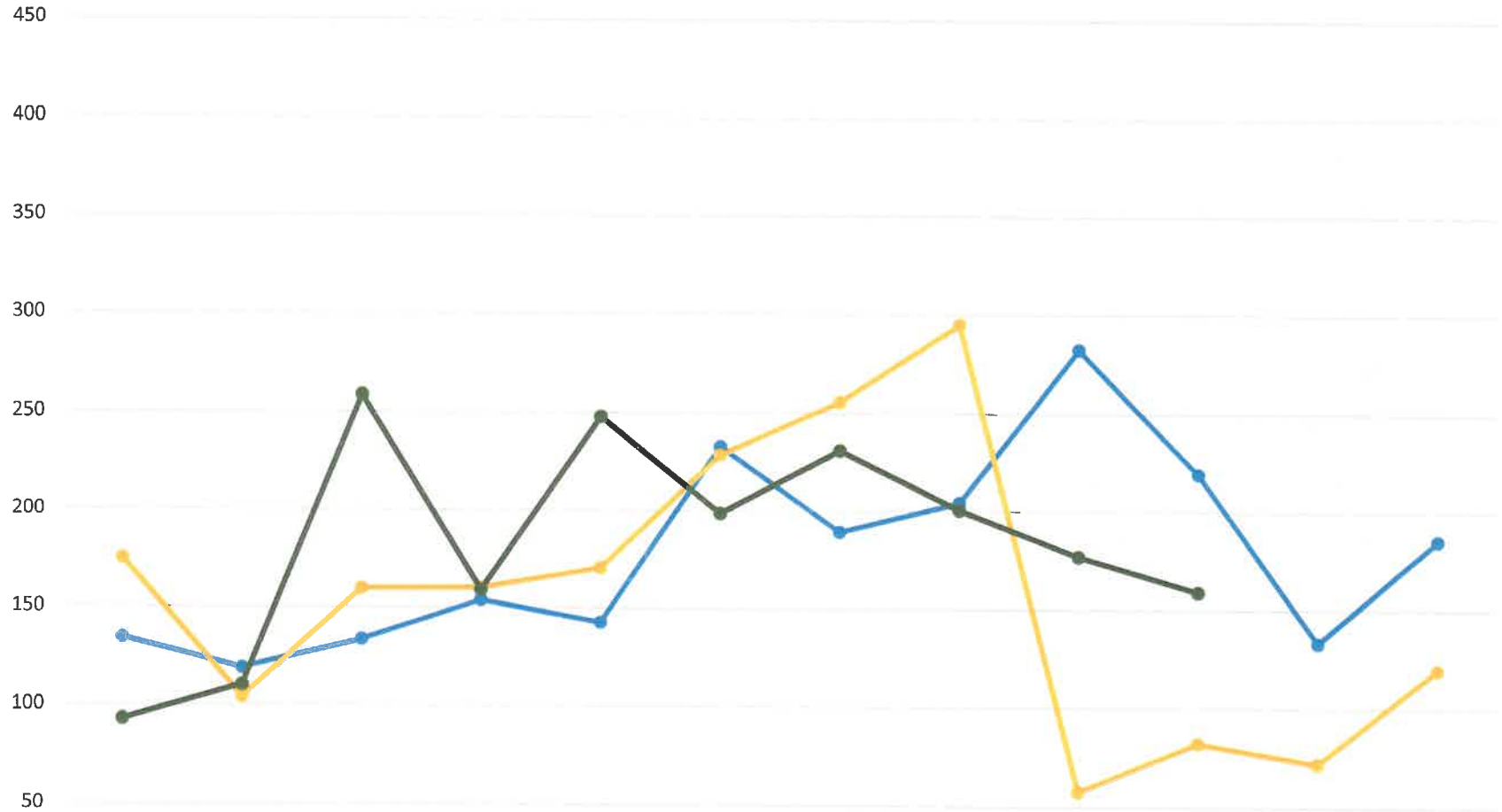
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	208.5	191	257.25	362.5	303.25	344.25	326.25	321.5	301.75	214.75	225.5	177.34
2018	188	238	297	397	244.42	255.75	313	349.75	223.75	218	234.25	147
2019	258.25	218.5	294	246.25	262.5	425	324.75	326	282	226.5		

● 2017
 ● 2018
 ● 2019

CONSTRUCTION OVERTIME



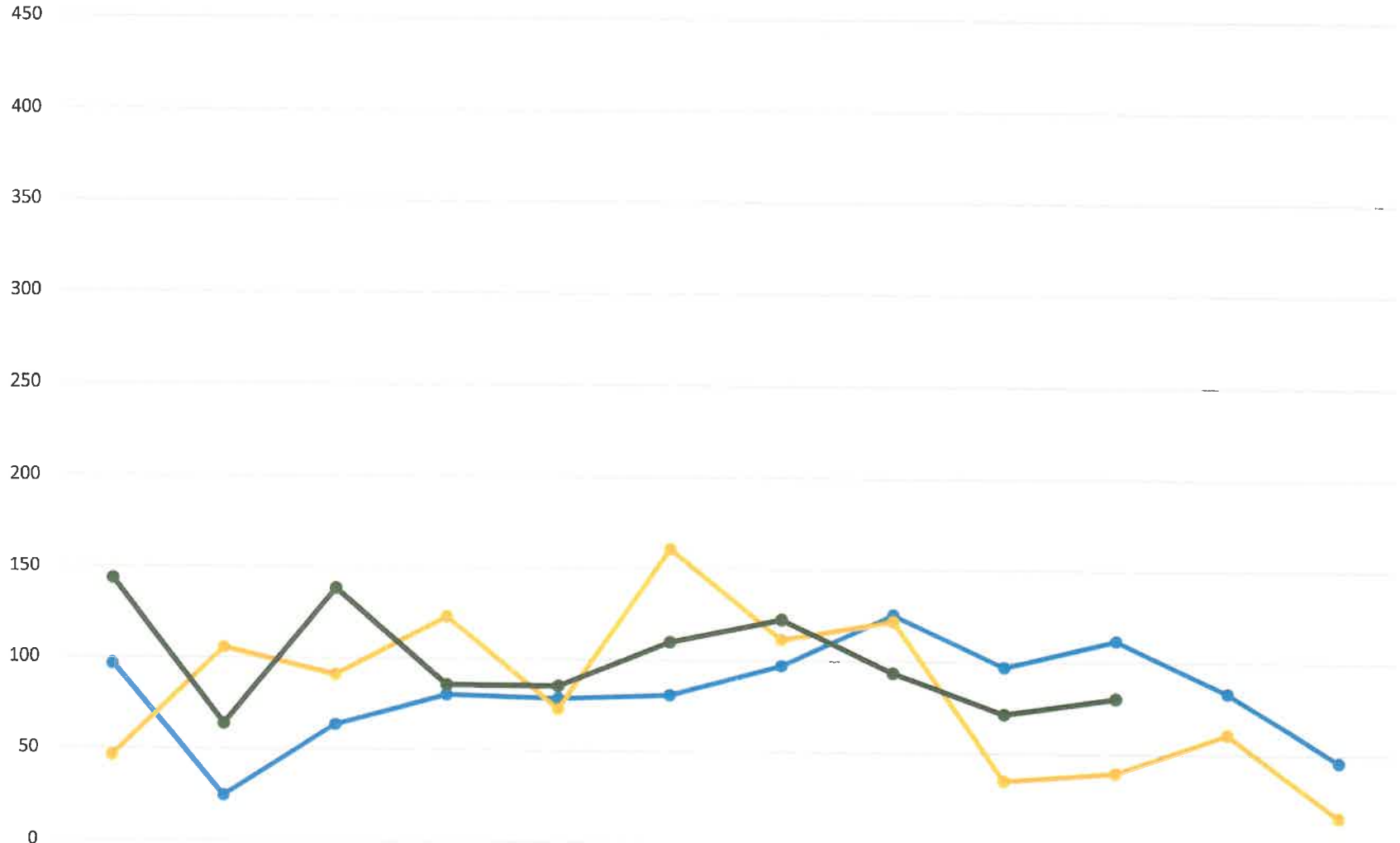
FIBER OVERTIME



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	134.5	119.25	133.75	154	142.75	233	189.25	204.5	282.5	219.5	133.25	185.5
2018	174.75	104	159.45	160	170.25	228.5	255.5	294.75	57.5	82	71.75	119.5
2019	92.72	110.25	258.75	159	248	198.5	231	200.5	177	159		

● 2017
 ● 2018
 ● 2019

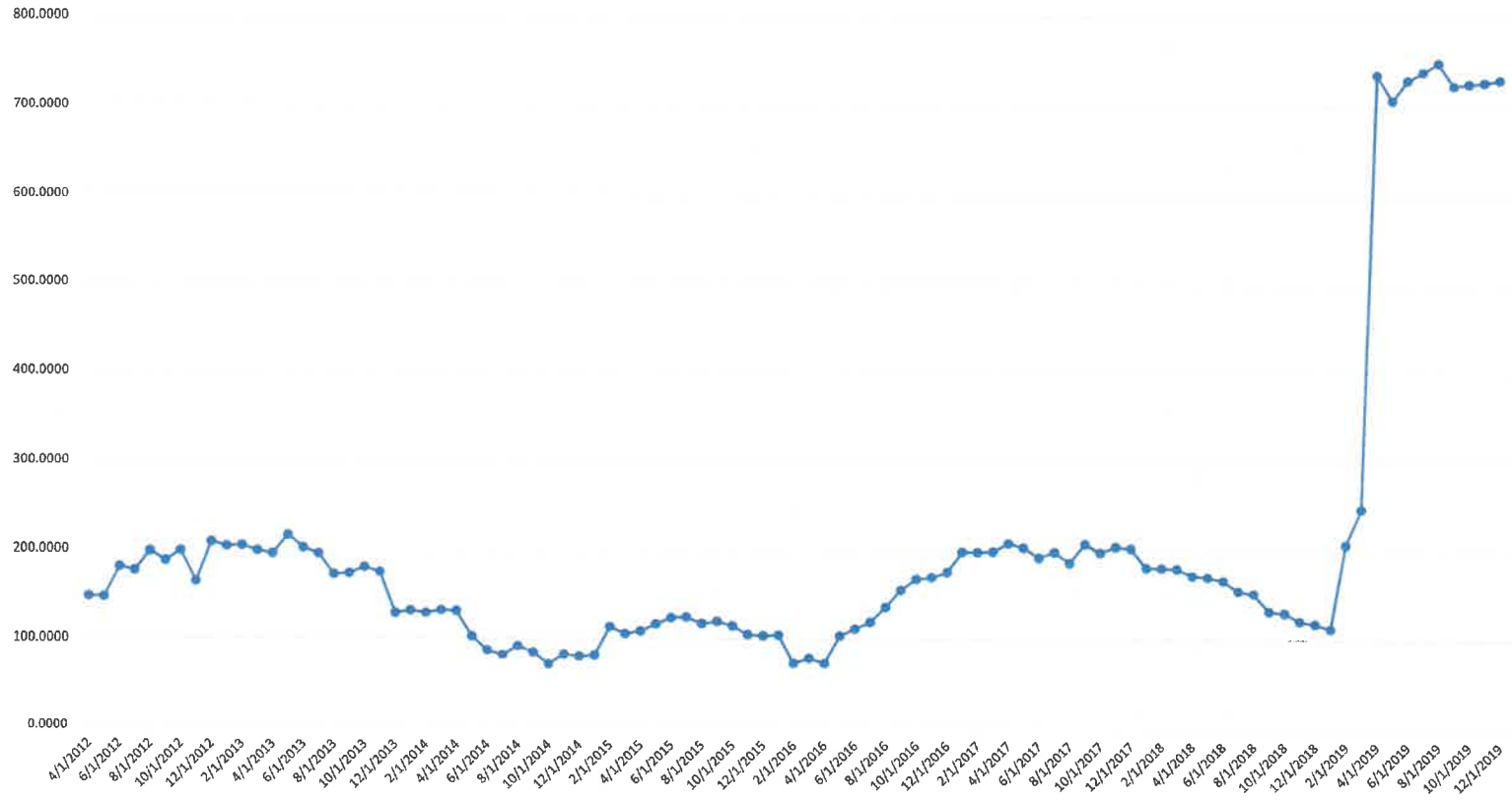
OTHER OVERTIME



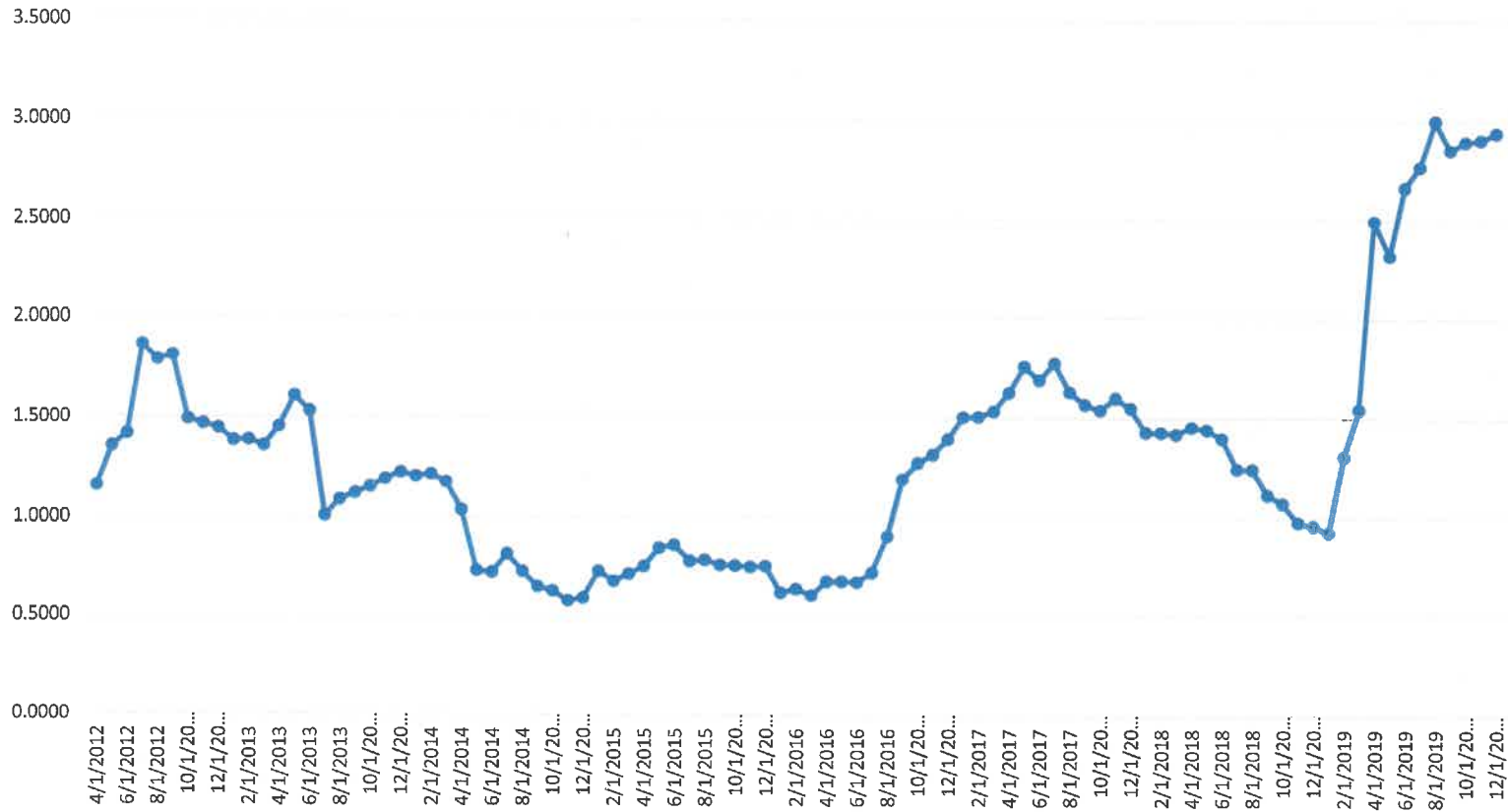
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2017	96.5	24.75	63.5	80.25	78.5	80.75	97.25	125.5	97.02	111.75	83.25	46
2018	46	105.5	90.75	123	72.5	160.67	111.25	121.75	35	39.5	60.5	16
2019	143.25	63.75	138.25	85.5	85.25	109.75	122.5	93.5	71.25	80		

● 2017
 ● 2018
 ● 2019

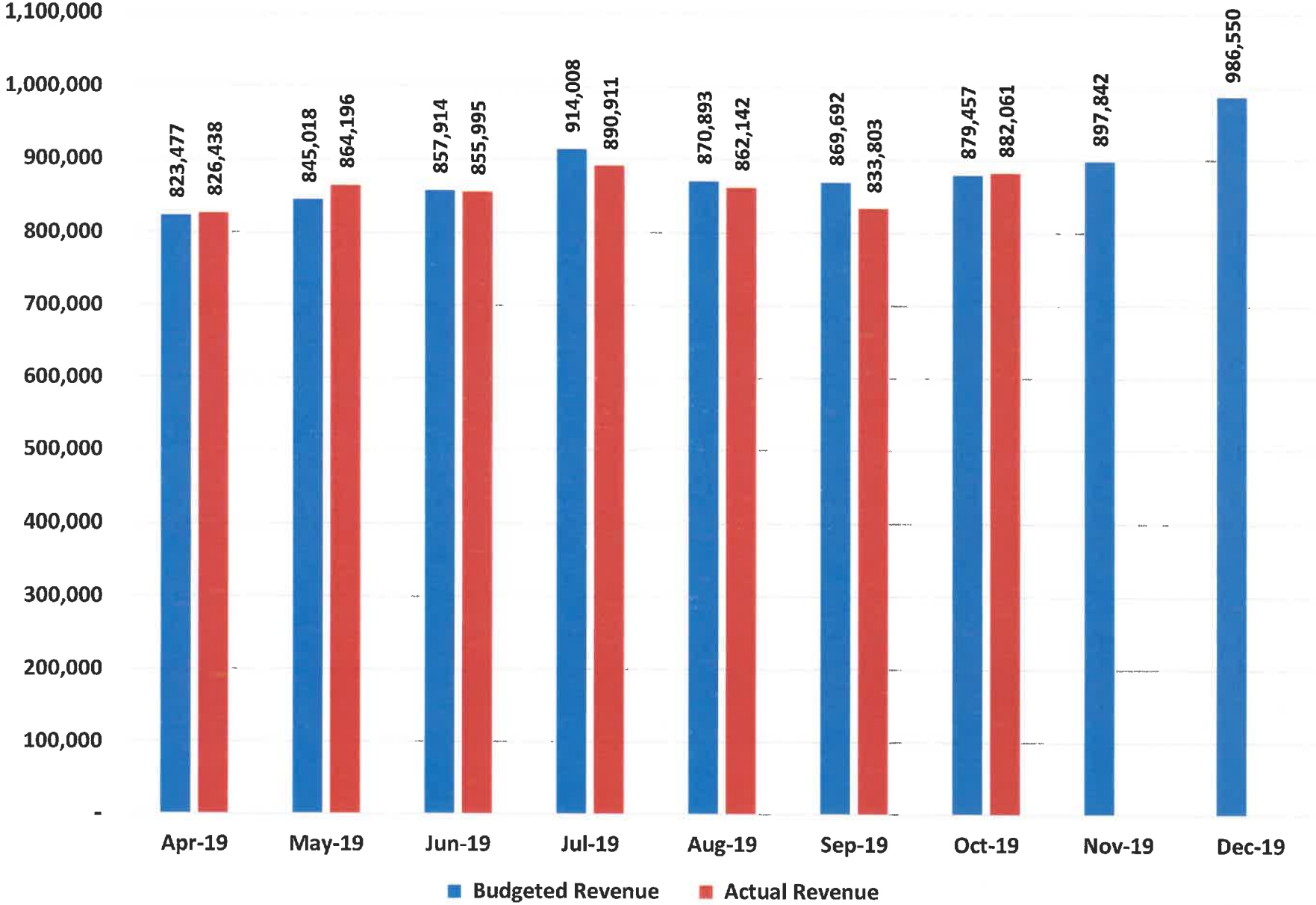
SAIDI
12 Month Rolling



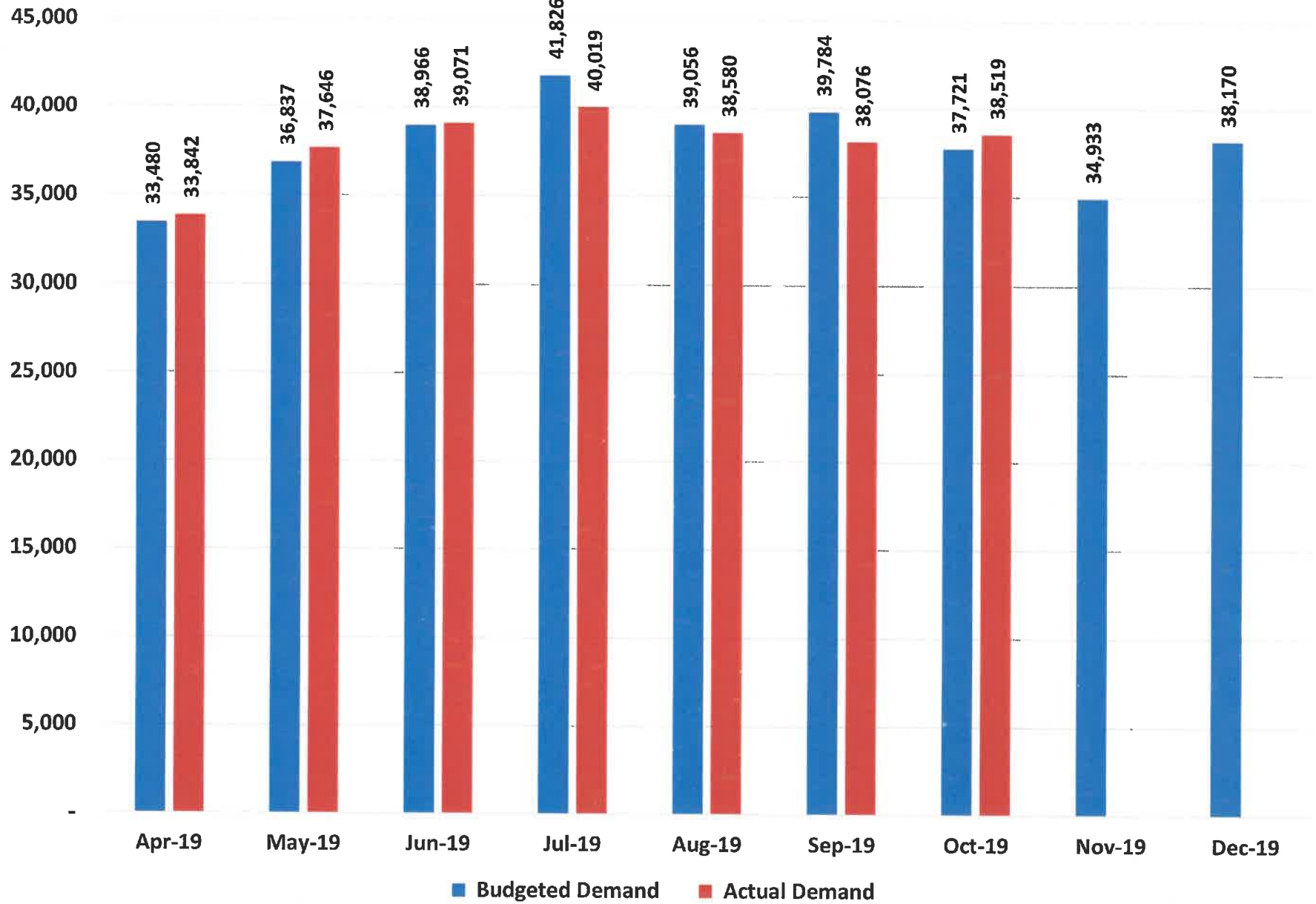
SAIFI 12 Month Rolling



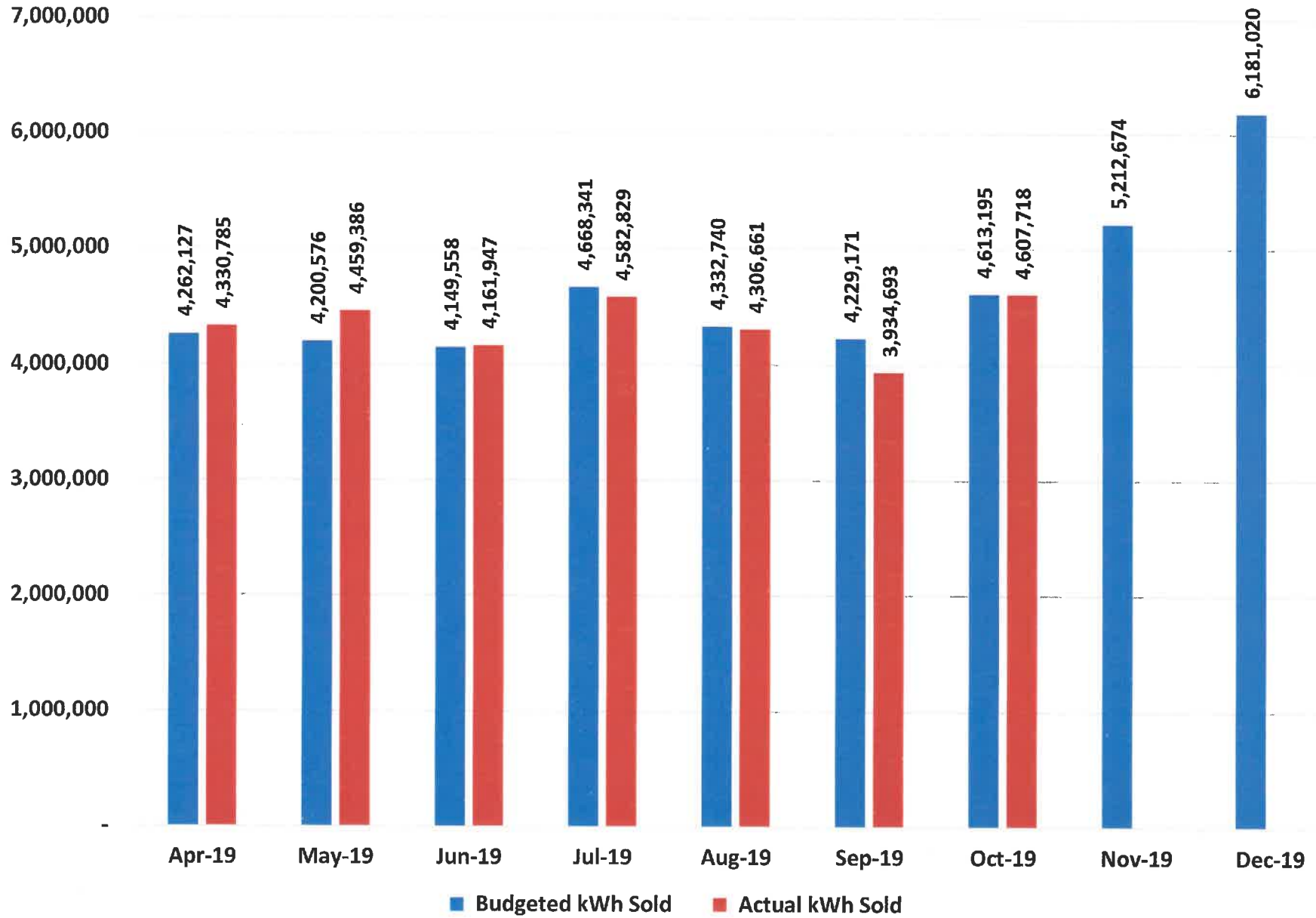
Schedule A Revenue



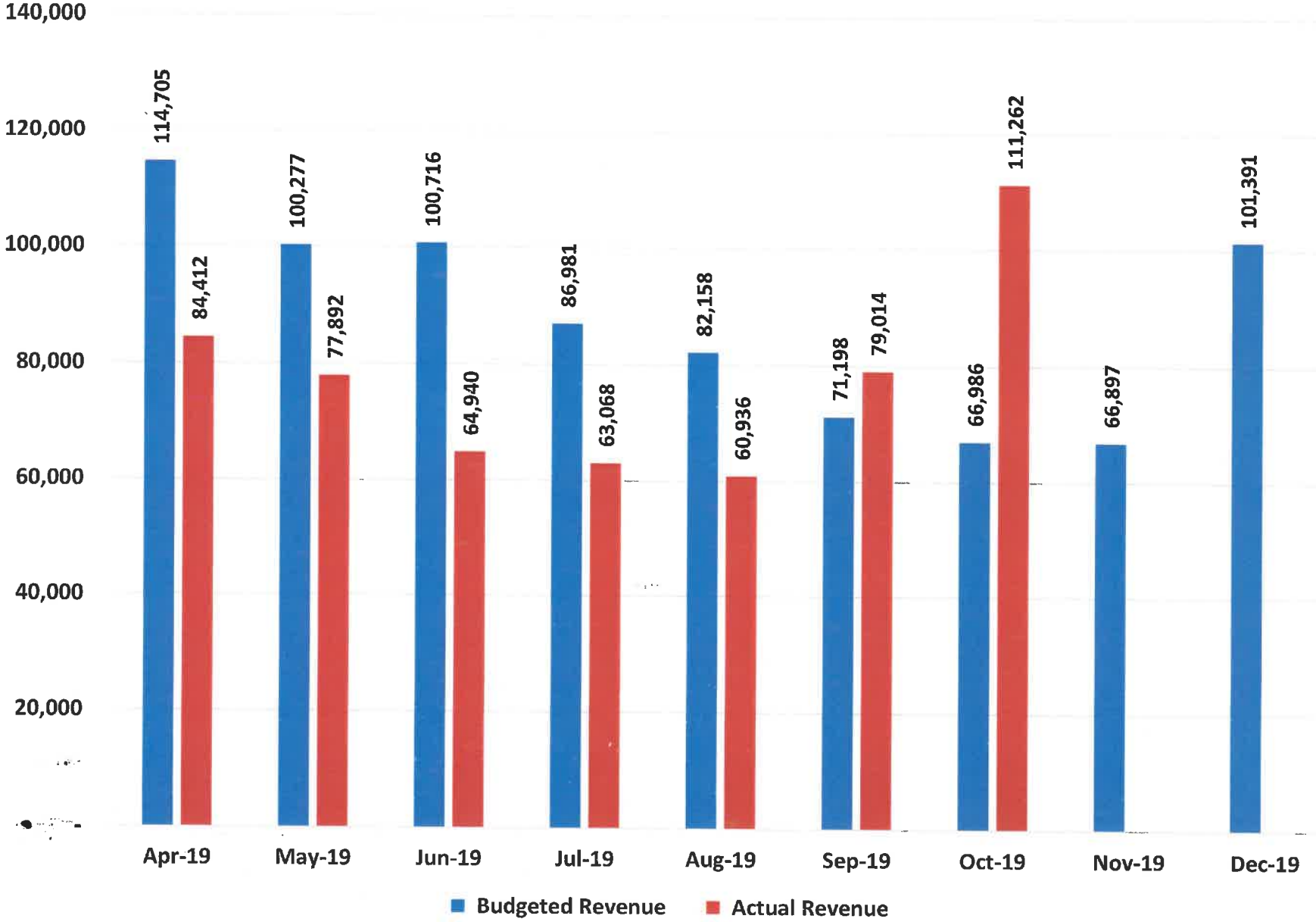
Schedule A Demand



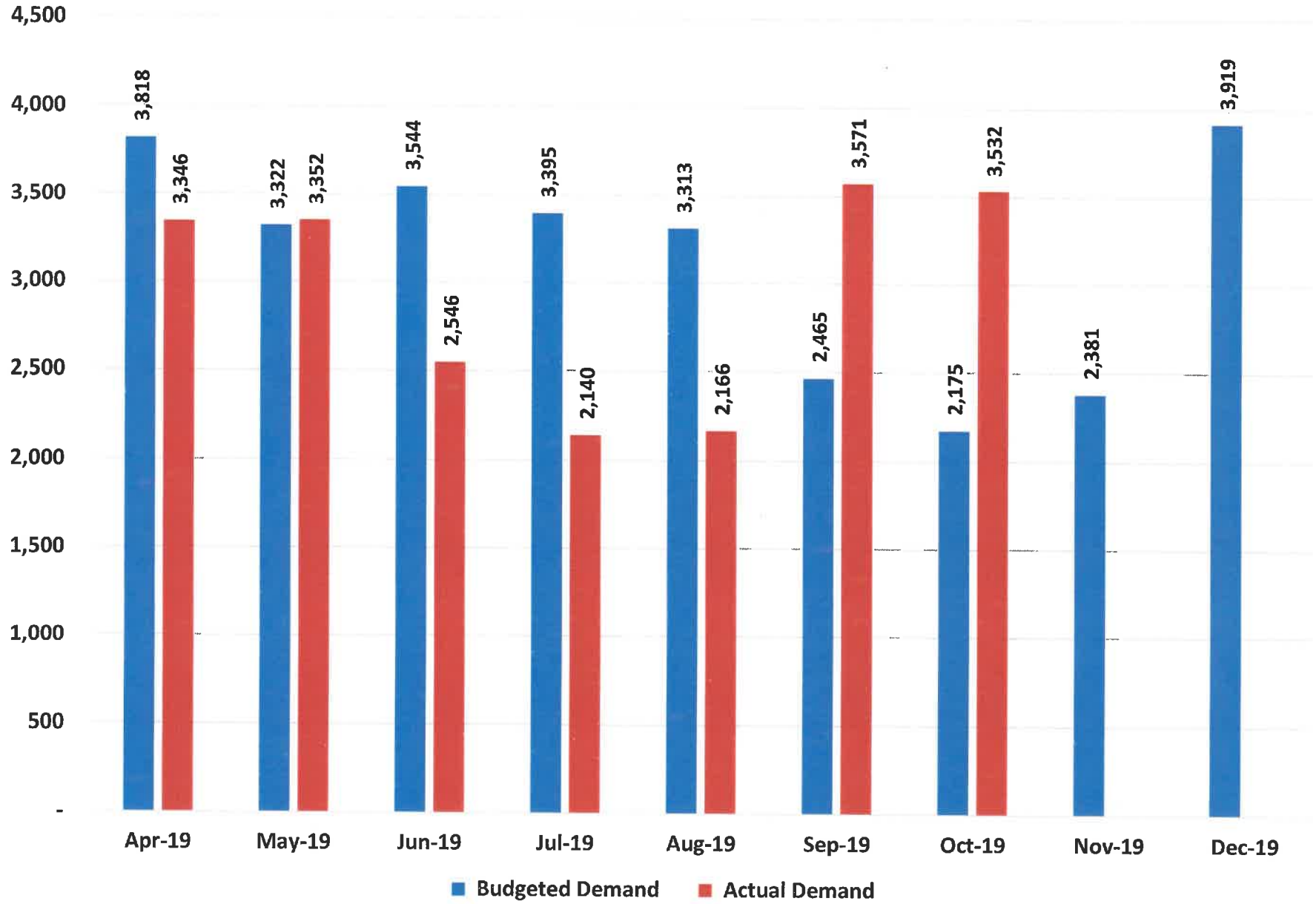
Schedule A kWh Sold



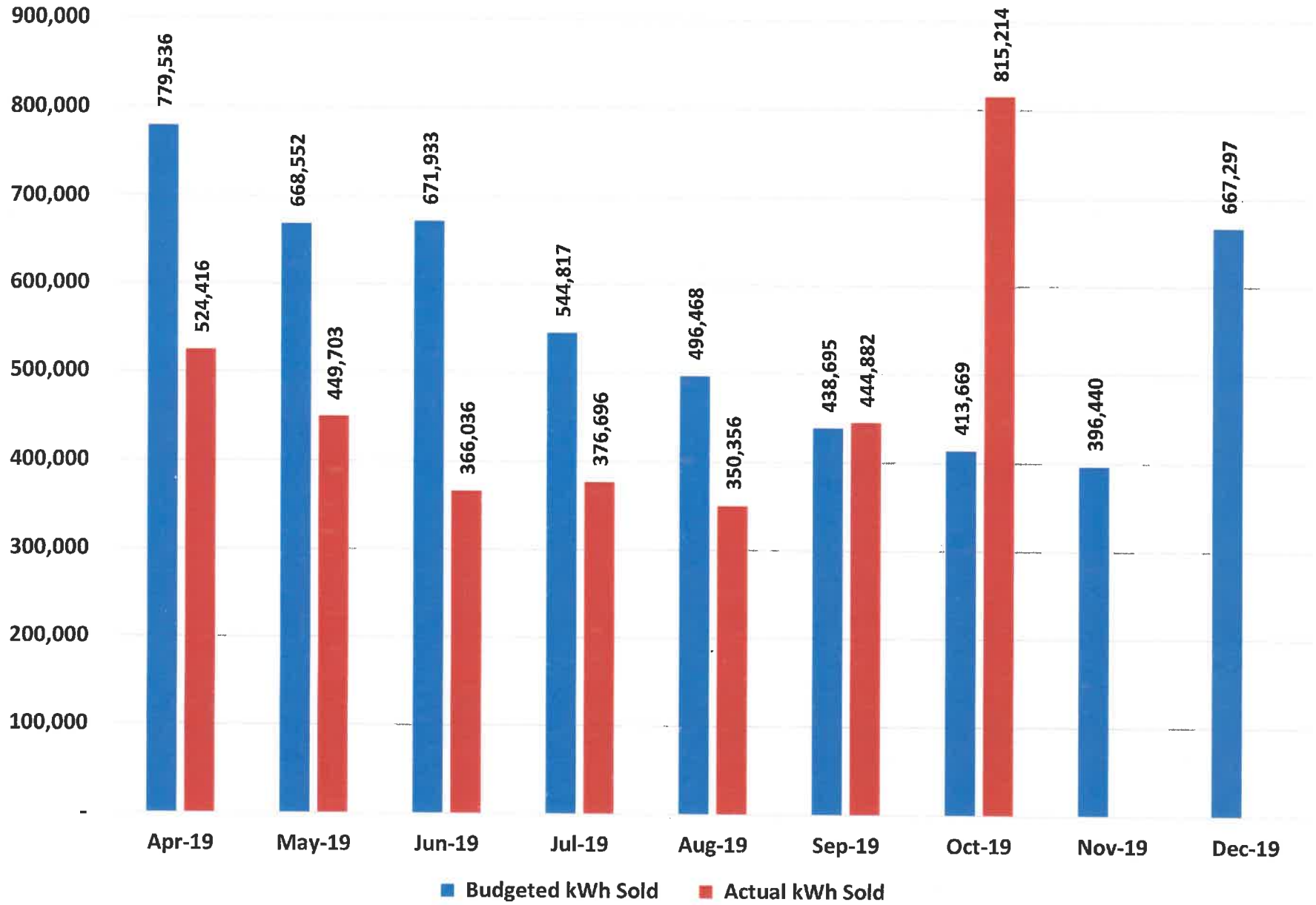
Schedule B Revenue



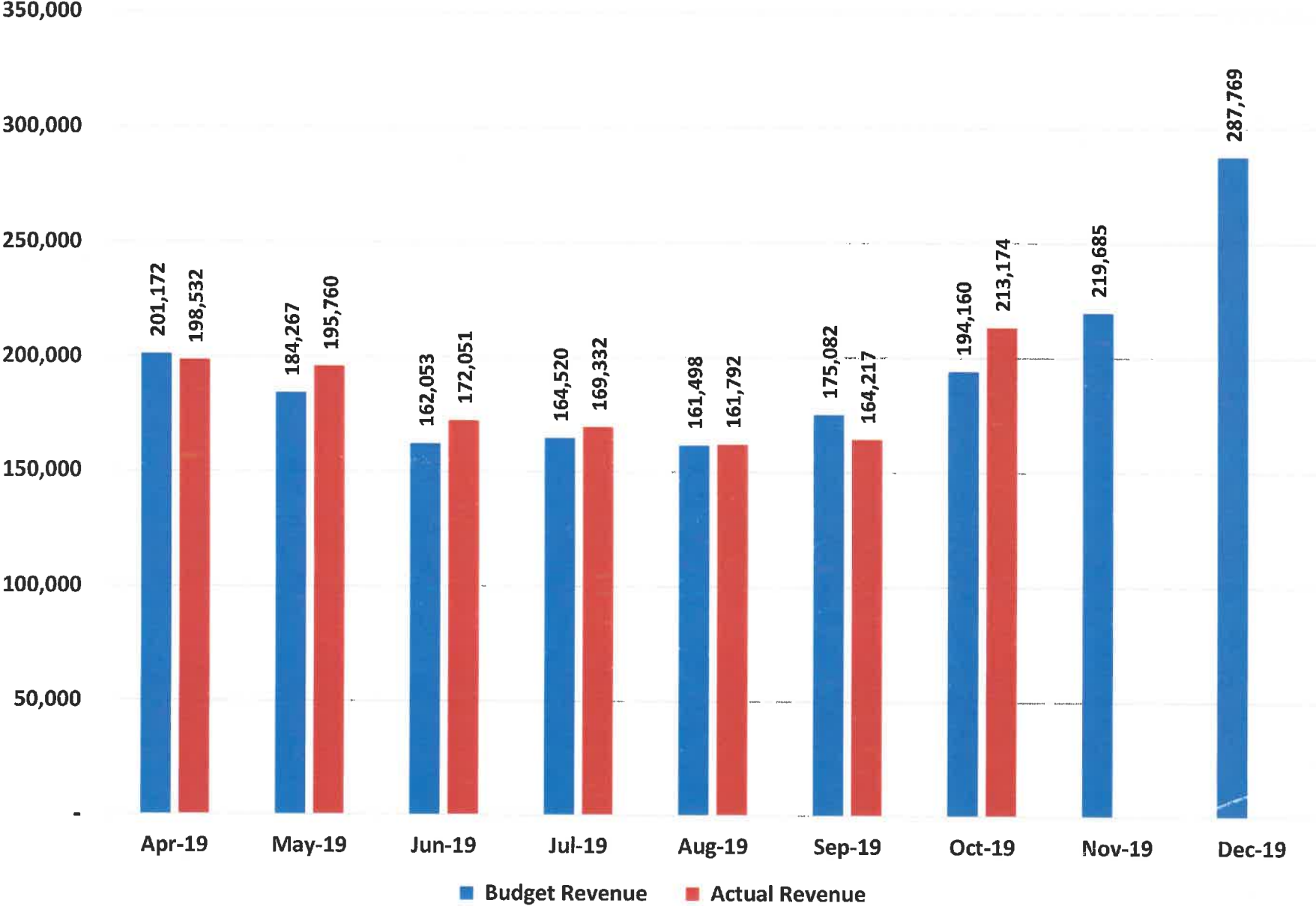
Schedule B Demand



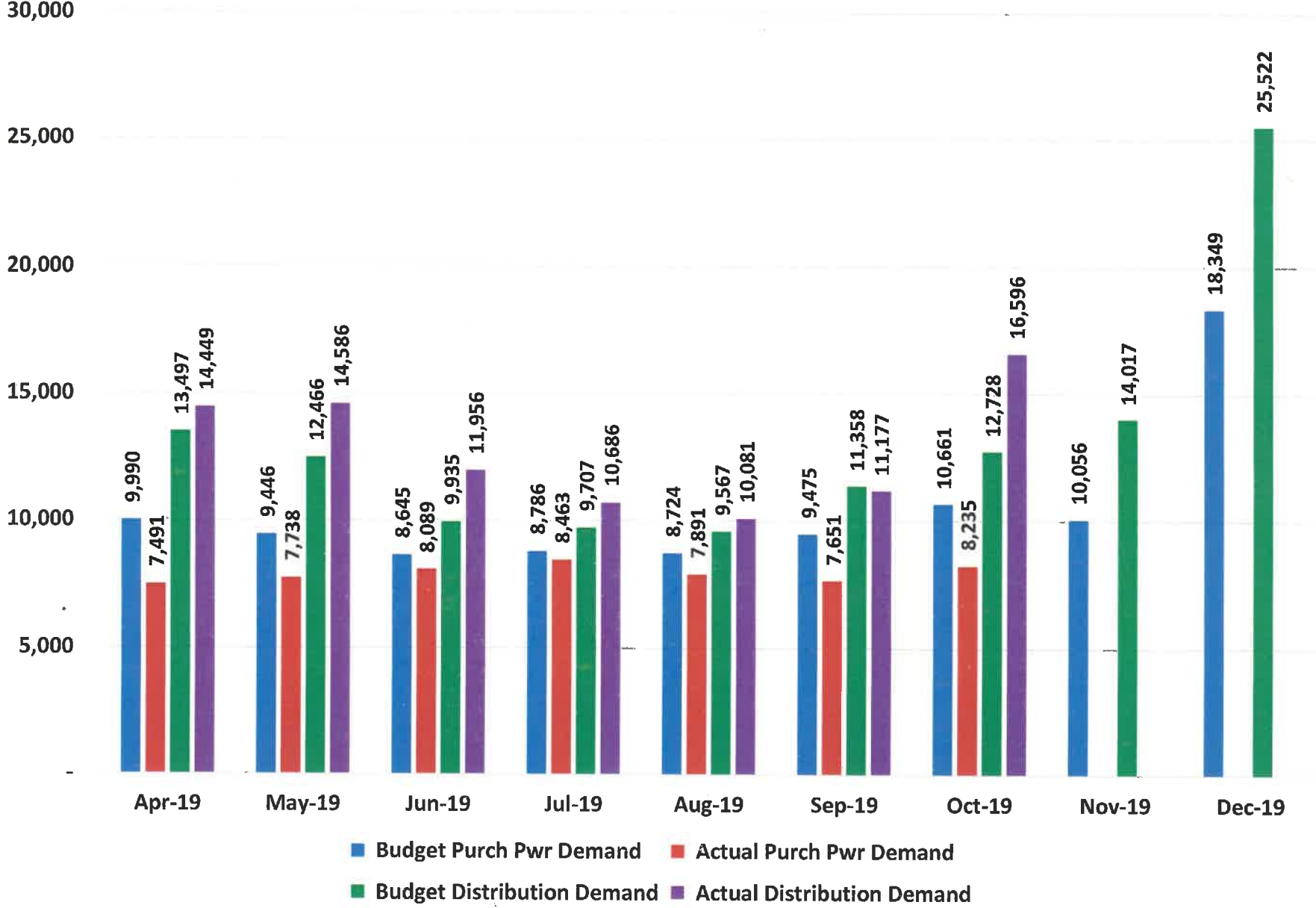
Schedule B kWh Sold



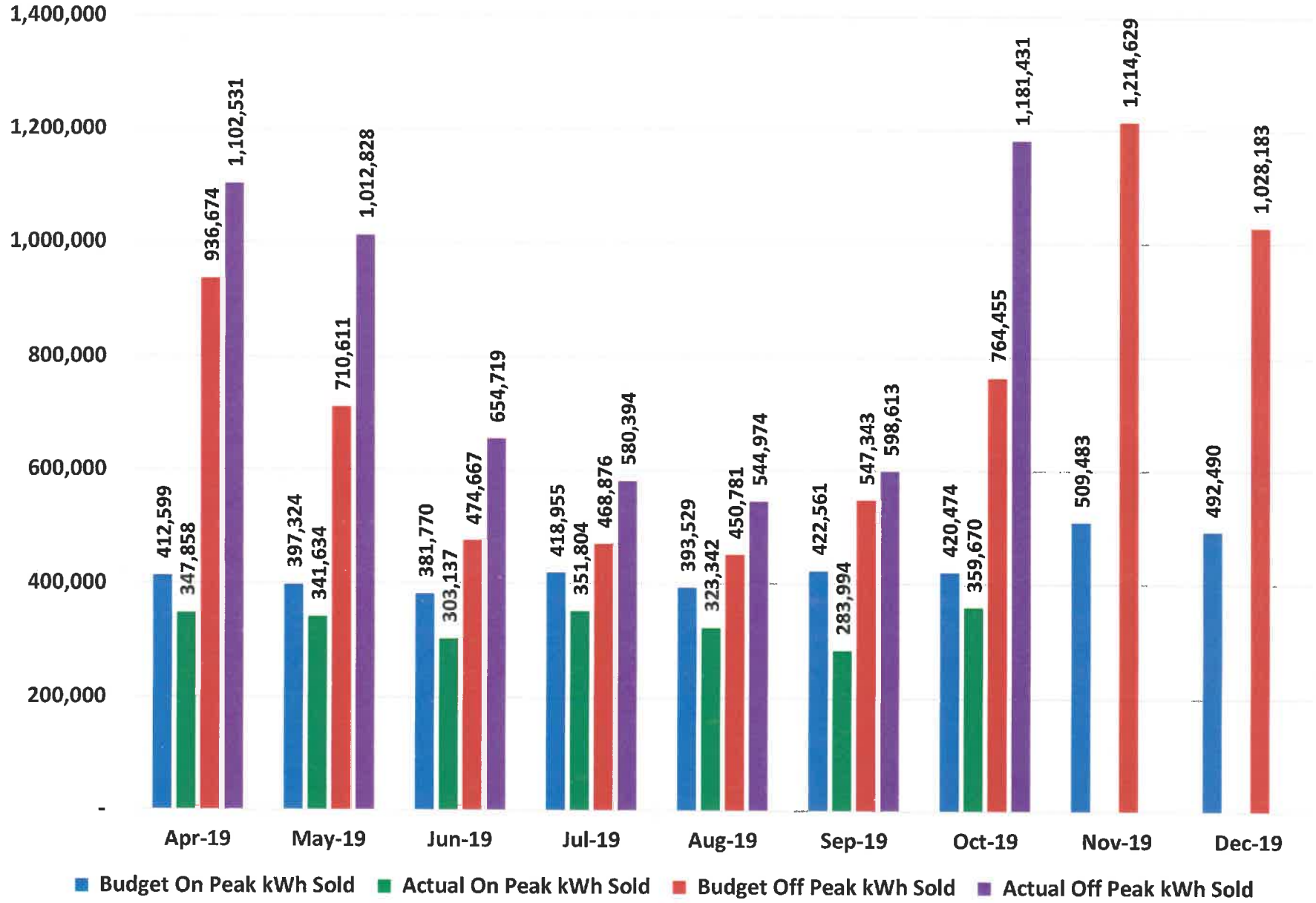
Schedule TOD Revenue



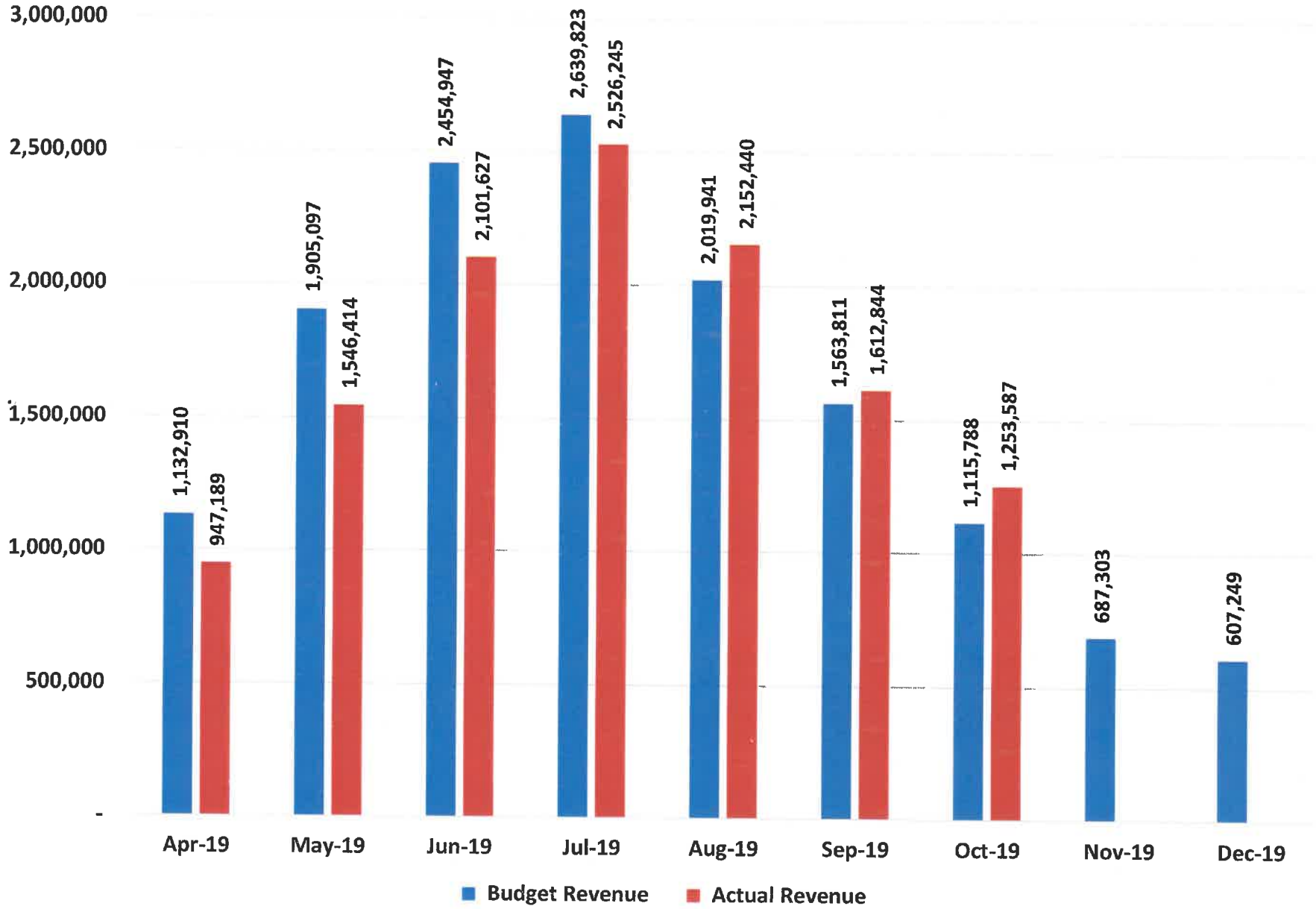
Schedule TOD Demand



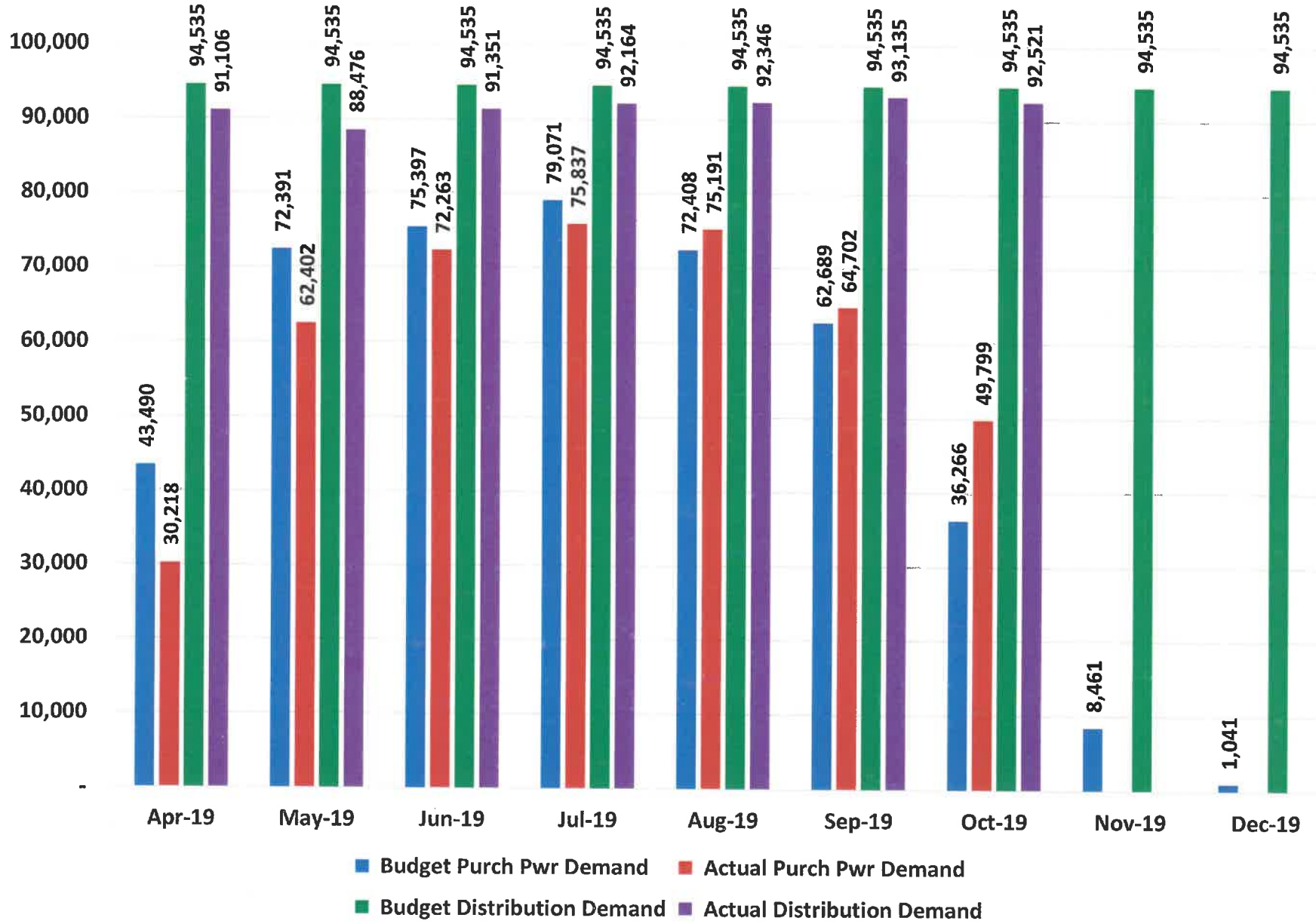
Schedule TOD kWh Sold



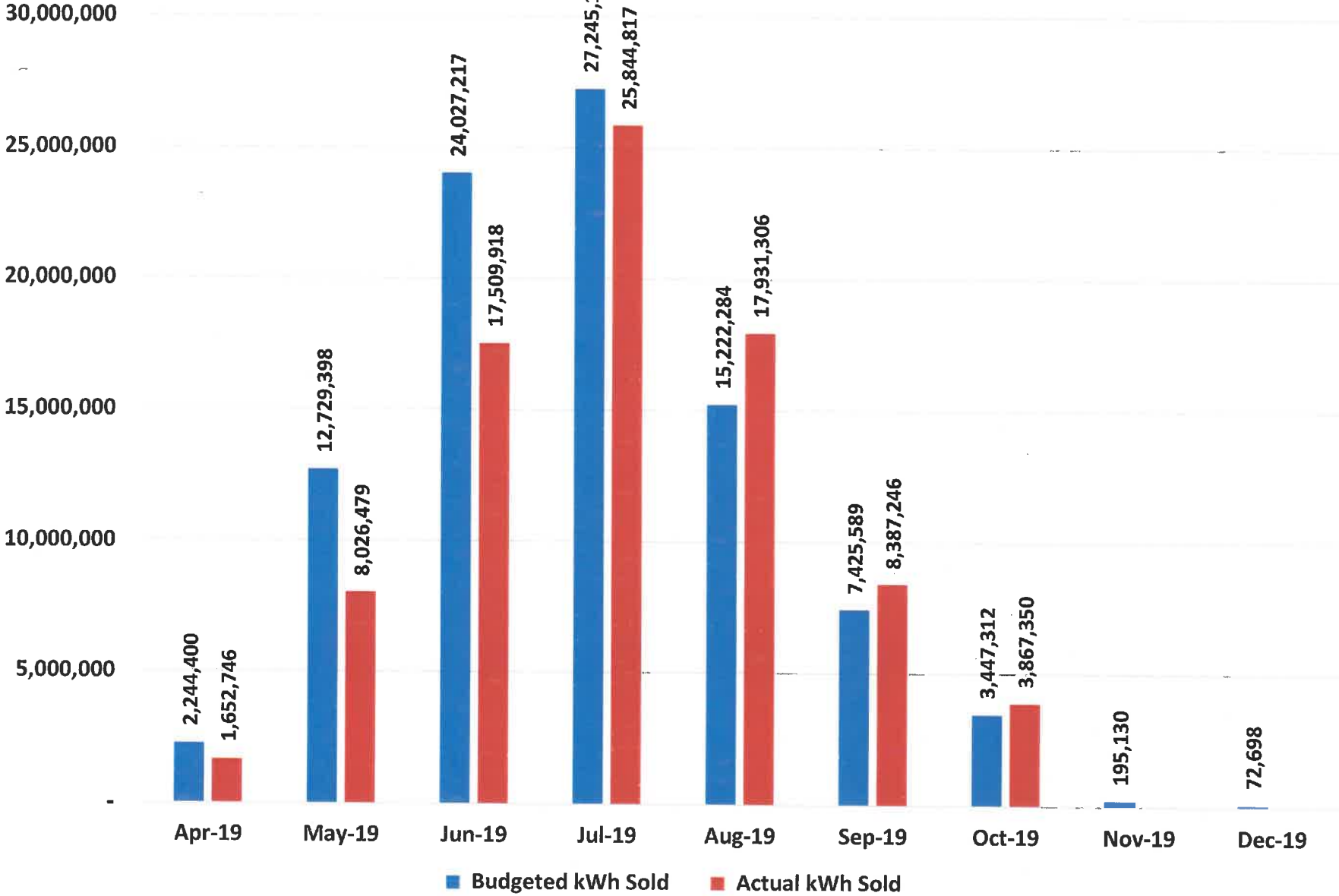
Schedule I Revenue



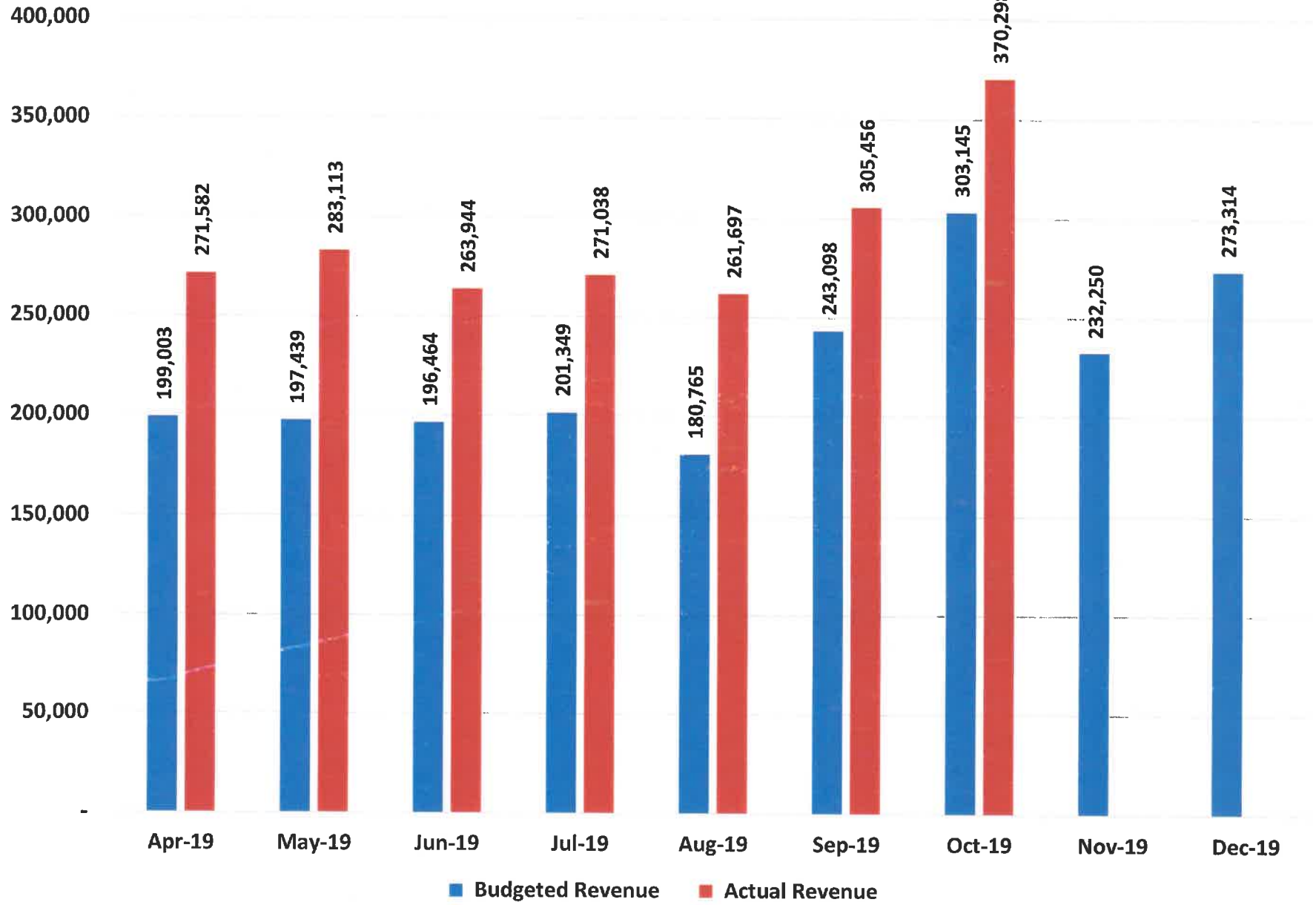
Schedule I Demand



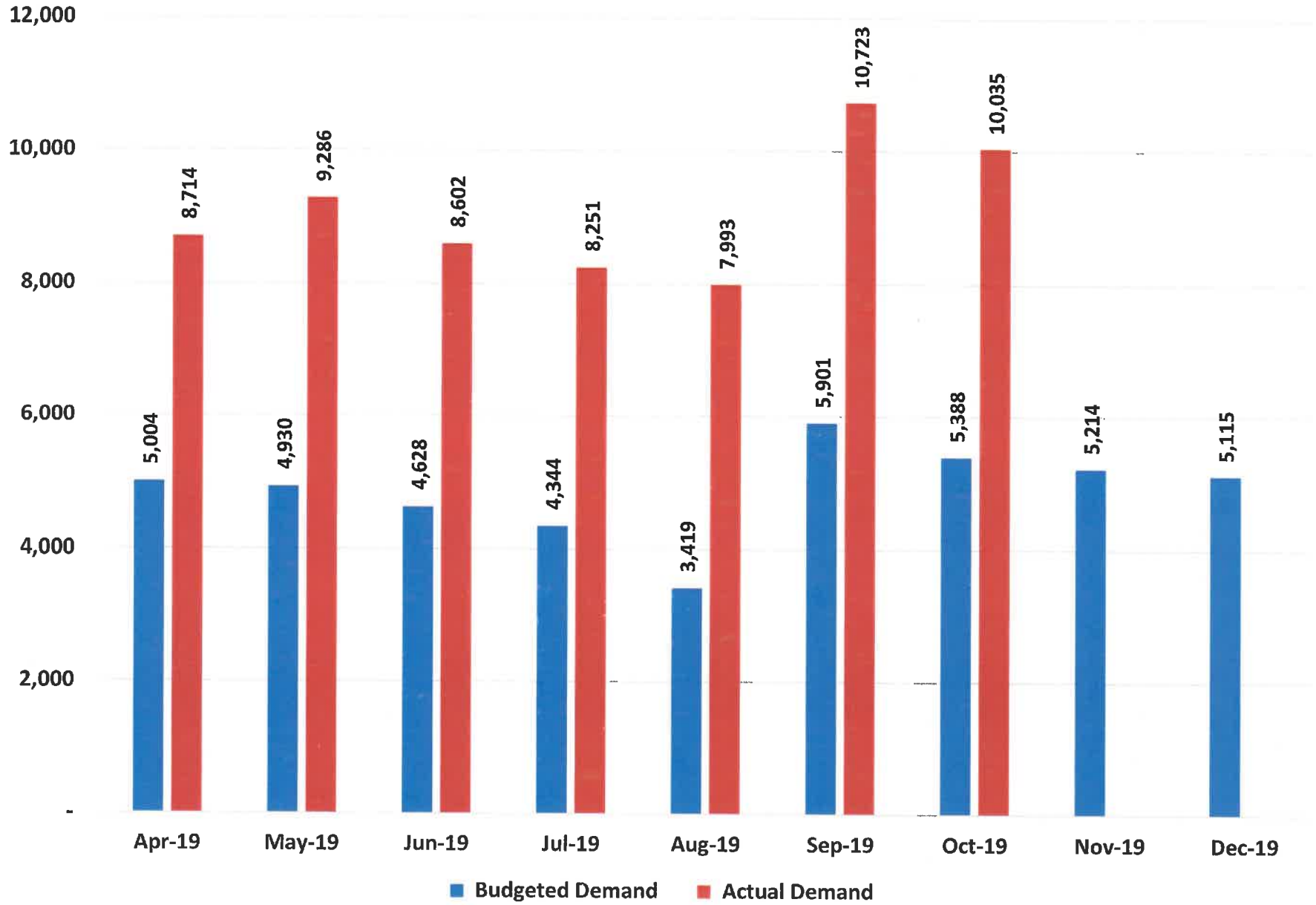
Schedule I kWh Sold



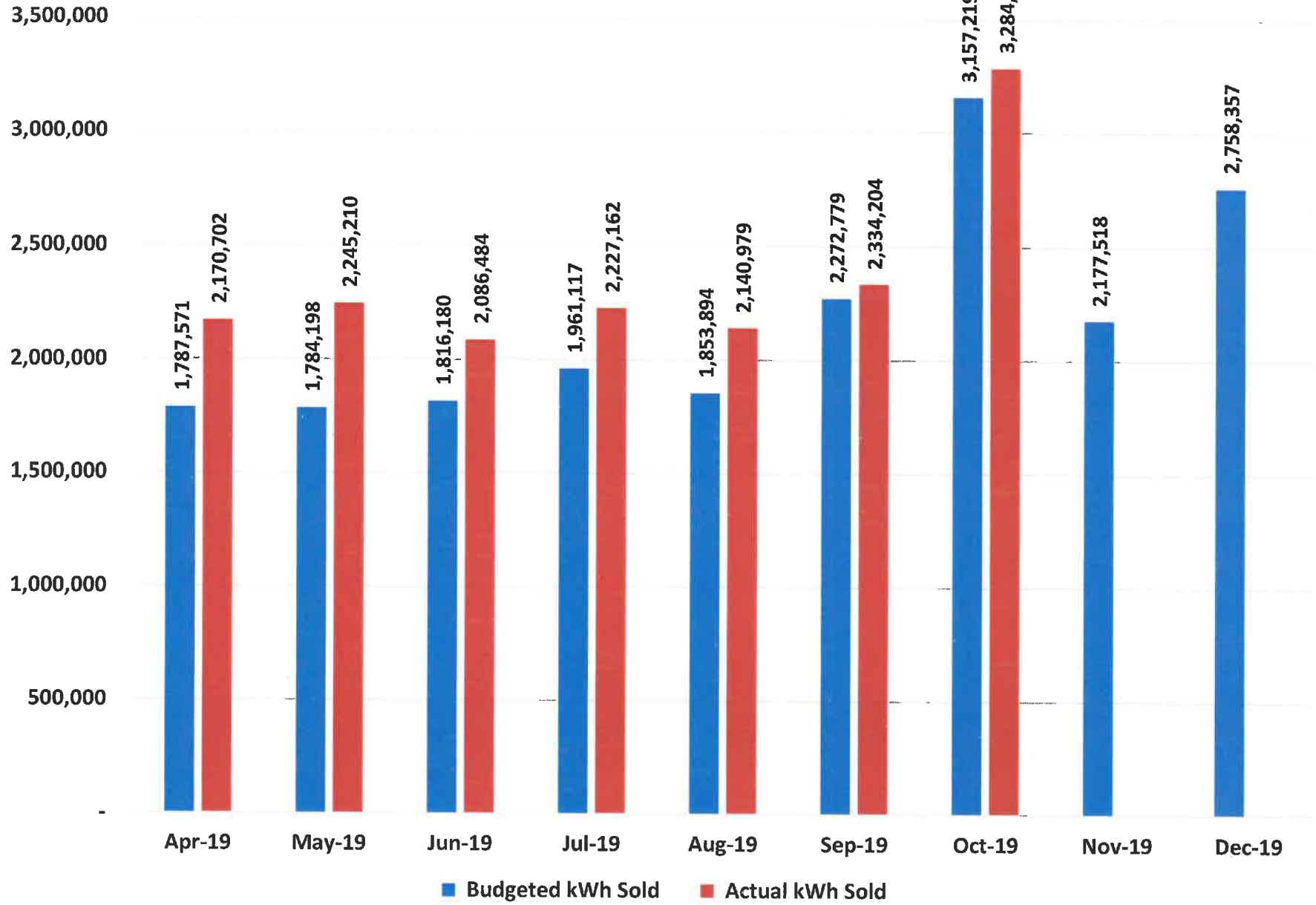
LPA Revenue



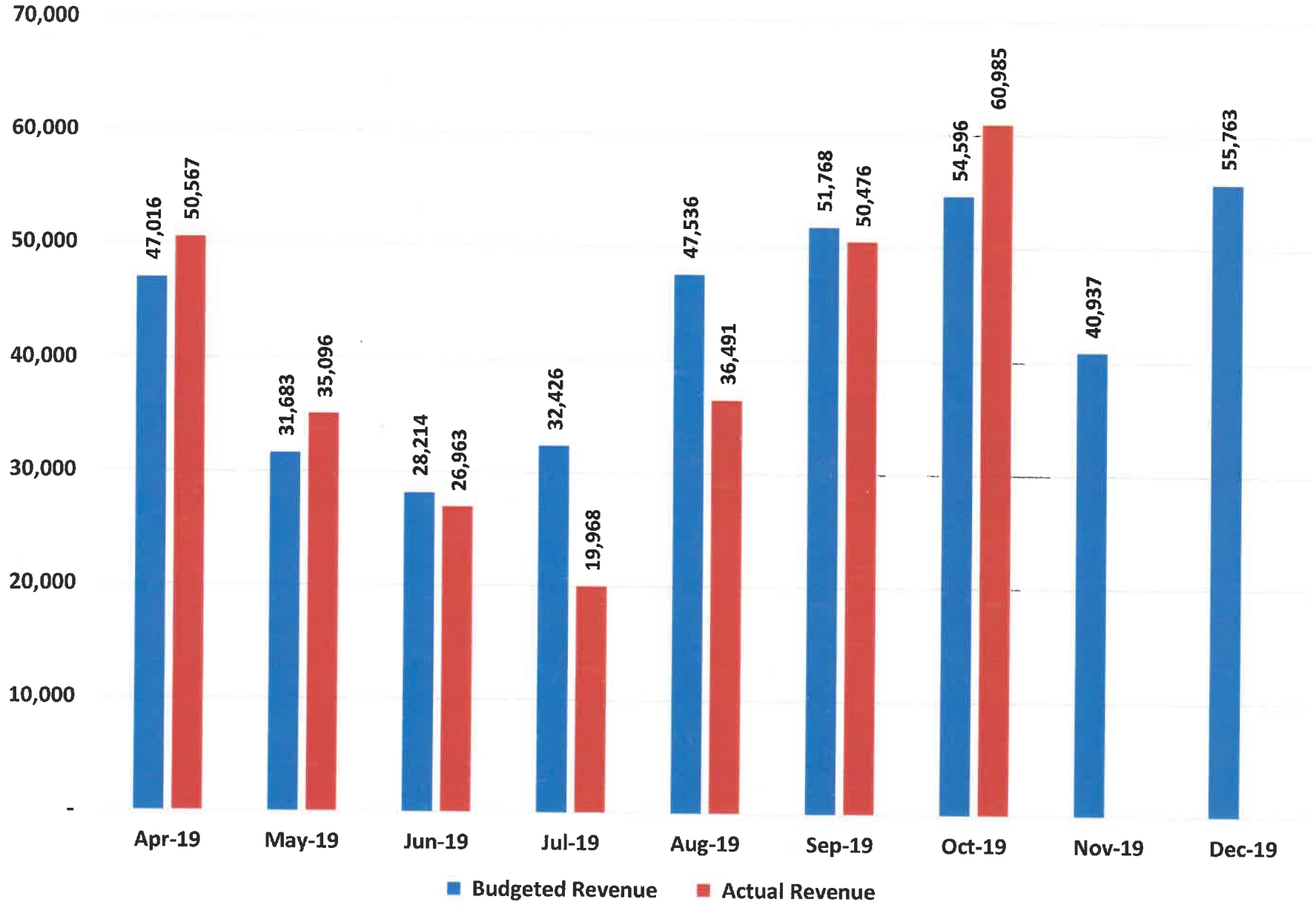
LPA Demand



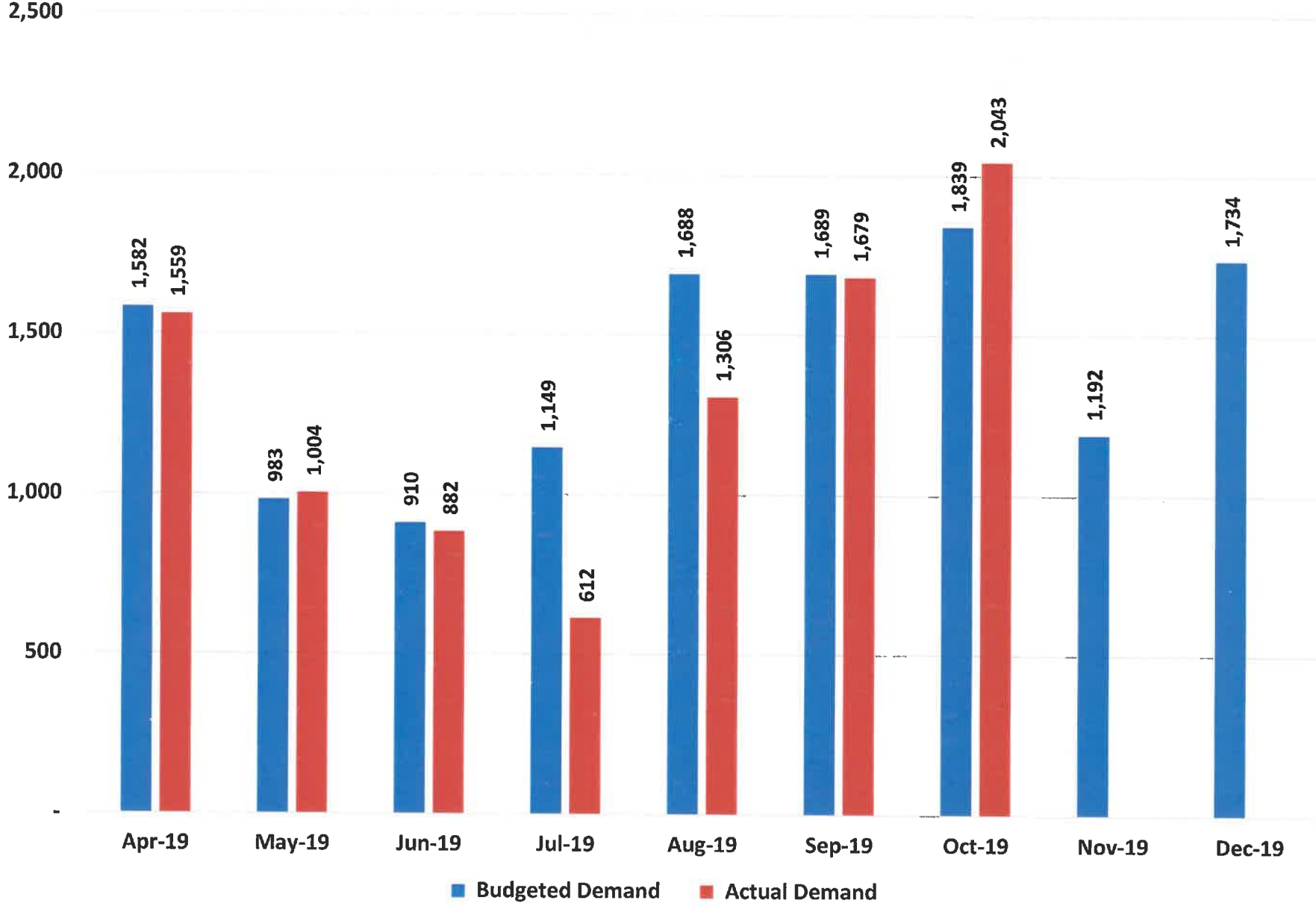
LPA kWh Sold



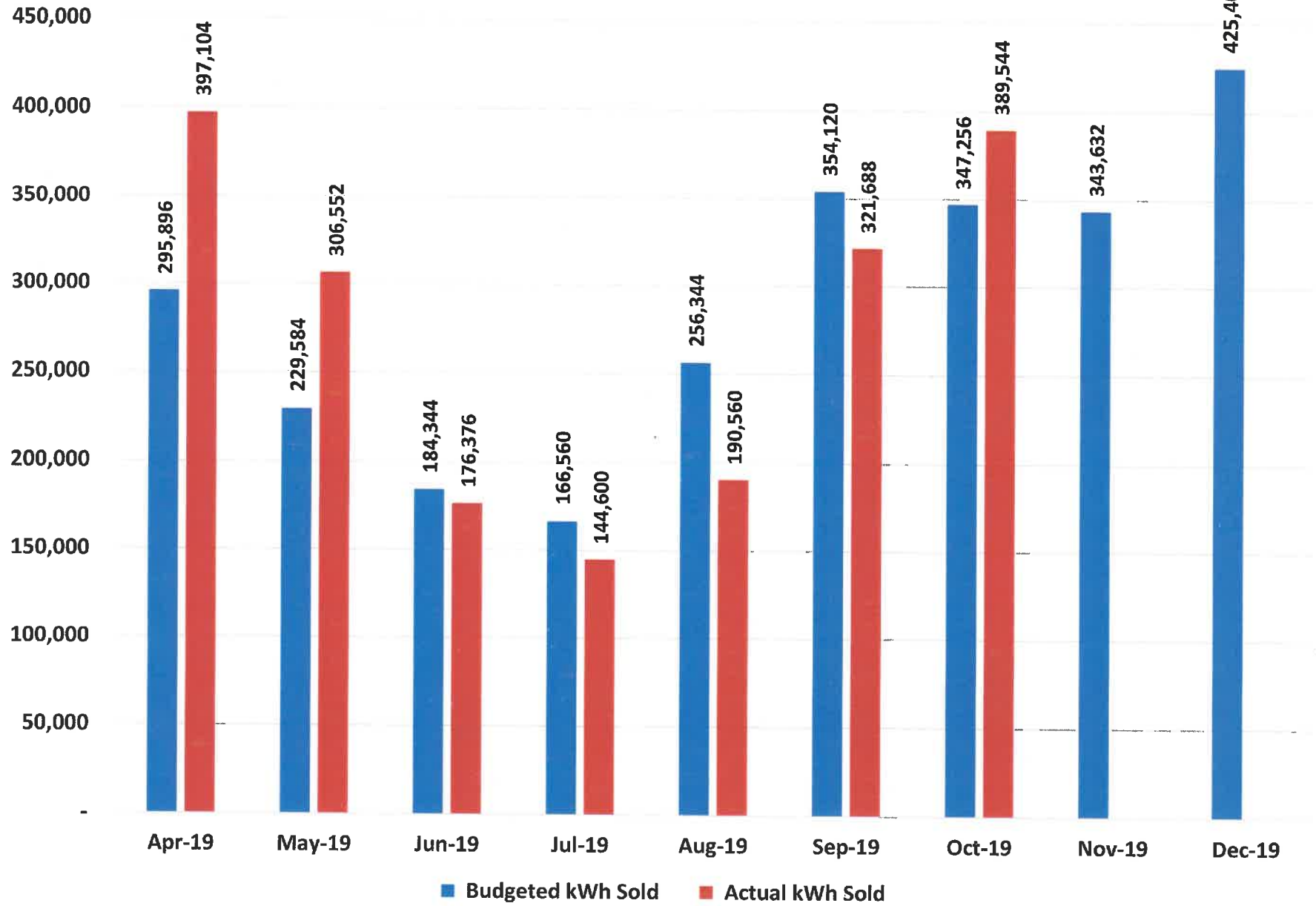
LPB Revenue



LPB Demand



LPB kWh Sold



**MINUTES OF MEETING
Board of Directors
October 22, 2019**

The regular Board of Director's Meeting of San Luis Valley Rural Electric Cooperative, Inc. was held on Tuesday, October 22, 2019 at the headquarters office located in Monte Vista, Colorado. Directors present were Carol Lee Dugan, (president), Keenan Anderson (vice-president), Stephen Valdez (corporate secretary), Scott Wolfe, K Cole Wakasugi, Kip Nagy and Wade Lockhart. Also present were Gregg Kampf (corporate attorney) and the following staff: Loren Howard (chief executive officer), JoAn Waudby (chief financial officer/corporate treasurer), Jennifer Alonzo (marketing/sales coordinator), and Michelle Trujillo (human resources officer/assistant corporate secretary).

The Pledge of Allegiance

Carol Lee Dugan led the Pledge of Allegiance.

Call to Order

Carol Lee Dugan called the meeting to order at 9:30 a.m.

Welcome of Guest(s)

Members Claire Barker and Susan Wolfrey were present at the meeting.

Member Communication

Mail was circulated among the board members.

Approval of Agenda

Motion to approve the agenda as amended to include the Approval of Metro E Tariff and BKD Audit Engagement Letter was made and unanimously carried by those present.

Corporate Review

Loren Howard reviewed the submitted report and briefly mentioned he attended a meeting with Kent Singer while in Michigan regarding the impacts to the Cooperative with the legalization of marijuana in Colorado. Other items discussed were 5 miles of 3-phase line we must rebuild due to Avian Protection requirements in the northern service territory, larger electric projects, recent outages, and personnel transitions.

Financial Review

Loren Howard reviewed the financial summary and statistical graphs. It was noted that revenue is down primarily due to lower irrigation sales and most other statistics are tracking with budget projections.

Approval of Minutes

Motion to approve the minutes as presented was made and unanimously carried by those present.

Recess: 10:30 a.m.

Reconvene: 10:40 a.m.

Approval of Metro E Rate Tariff

Motion to approve the updated Metro E rate tariff was made and unanimously carried by those present.

Approval of the BKD Audit Engagement Letter

Motion to approve the Audit Engagement Letter with BKD, LLP Accounting Firm was made and unanimously carried by those present.

Safety Report

The submitted report was reviewed and discussed. (Copy attached hereto and made a part hereof.)

Agreements for Purchase of Power

The current list of Agreements for Purchase of Power was reviewed.

Ciello Report

The Ciello report was reviewed and discussed.

ATTORNEY'S REPORT

Corporate Attorney - Gregg Kampf

Gregg Kampf reported that he is researching the Migratory Bird Treaty Act and familiarizing himself with cases involving electric companies' facilities and eagle kills over the past several years. He updated the board briefly on the recent CREA attorney's meeting he attended discussing gas versus electric vehicles and gas tax equality. Further, he is researching a Broadband Easement Bill that passed during a recent legislative session regarding utility access to poles for broadband use.

BOARD COMMITTEE REPORTS:

Colorado Rural Electric Association – Stephen Valdez

Stephen Valdez reported that the CREA meeting is upcoming.

Western United – Stephen Valdez

Stephen Valdez reported that the Western United meeting is upcoming.

Tri-State – Scott Wolfe

Scott Wolfe reviewed the submitted report noting that Tri-State is focusing on telling the Cooperative story and working within their mission statement which is *“to provide our member systems a reliable, affordable and responsible supply of electricity in accordance with cooperative principles”*. The contract committee met and unanimously recommended to present a community solar policy to the full board for consideration. This committee is continuing to work on a partial requirement contract for members allowing the purchase of more local renewable energy. Wolfe also attended the managers meeting where one of the main topics was beneficial electrification such as electric vehicles and charge stations.

Unfinished Business

None

New Business

Contribution to the Colorado Rural Electric Association 527 for cooperative lobbying efforts.

Motion to approve a contribution in the amount of the \$7,500 to assist Colorado Rural Electric Association with lobbying efforts to benefit Cooperatives was made and unanimously carried forward.

Future Dates:

San Luis Valley REC's next regular board meeting was rescheduled to December 17, 2019 with a 9:00 a.m. worksession and 1:00 p.m. regular meeting.

Board Comments:

The board inquired about the Cielo outage that occurred October 21, 2019 and it was reported that the cause is being determined.

Lunch Recess: 11:50 a.m.

Reconvene: 12:43 p.m.

Executive Session

Motion to enter into executive session at 12:43 p.m. for the discussion of legal matters was made and unanimously carried by those present.

Motion to reconvene into public session with no action taken at 1:51 p.m. was made and unanimously carried by those present.

Motion to Adjourn

Motion to adjourn the meeting was made and unanimously carried by those present.

Carol Lee Dugan, President

SEAL

Stephen Valdez, Corporate Secretary

Michelle Trujillo, Recording Secretary

Capital Credit General Retirement

2018 Margin	2,823,905
2018 Budgeted Margin	2,176,925
Increase	646,980

Unretired SLVREC's Capital Credits	32,409,480
% of SLVREC's Retired	2.00%

Tri-State Cash Paid	788,930
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Unretired Tri-State Capital Credits	21,320,654
% of Tri-State's Retired	3.70%

MONTHLY SAFETY REPORT
December 2019 Regular Board Meeting

Data through October 2019

	This Month	YTD	Running Total
Total # of First Reports of Injury Completed & Medical Attention Necessary	1	5	N/A
Number of Lost Time Incidents	0	1	N/A
Total Number of Days Worked Without a Lost Time Incident	31	251	251
Number of Property Damage Incidents (Including Vehicle Incidents)	0	1	N/A
Total Miles Driven Without a Vehicle Incident (No Citations/Under Deductible)	39,075	355,900	469,278

Safety Data Through December

<p>Safety Committee Meeting: The committee met on 12/10/2019. follow-up on unfinished business was updated: DEF nozzles have been installed and are operational, Building E garage doors are repaired, active shooter training will be done in 2020, snow and avalanche tools and equipment readiness was discussed and a date was set to complete the review of the safety manual.</p>
<p>O&M Meeting: Statewide near misses were discussed at the last O&M meeting.</p>
<p>All Employee Safety Meeting: The wellness program close-out meetings were held during November employee meeting and our December meeting isn't until December 19th.</p>
<p>Review of Current Incidents/Injuries: To-date, two minor reports of injury have been report in December. One was a sprained ankle and the other a knee issue. Sprained ankle has already been closed and the knee issue is being evaluated this week by our work comp physicians. Will report next month.</p>
<p>Review or Update of Previous Incidents: Our injured lineman that underwent knee surgery in October has been released for full duty by the surgeon and is waiting for full release from our local ROMP clinic. Seems to have healed well and is ready to return to full duty.</p>
<p>Property Damage: No property damages were reported during the months of November or December.</p>

**AGREEMENTS FOR PURCHASE OF POWER
TO BE REVIEWED BY THE BOARD OF DIRECTORS
December 2019 Board Meeting (November New Service Information)**

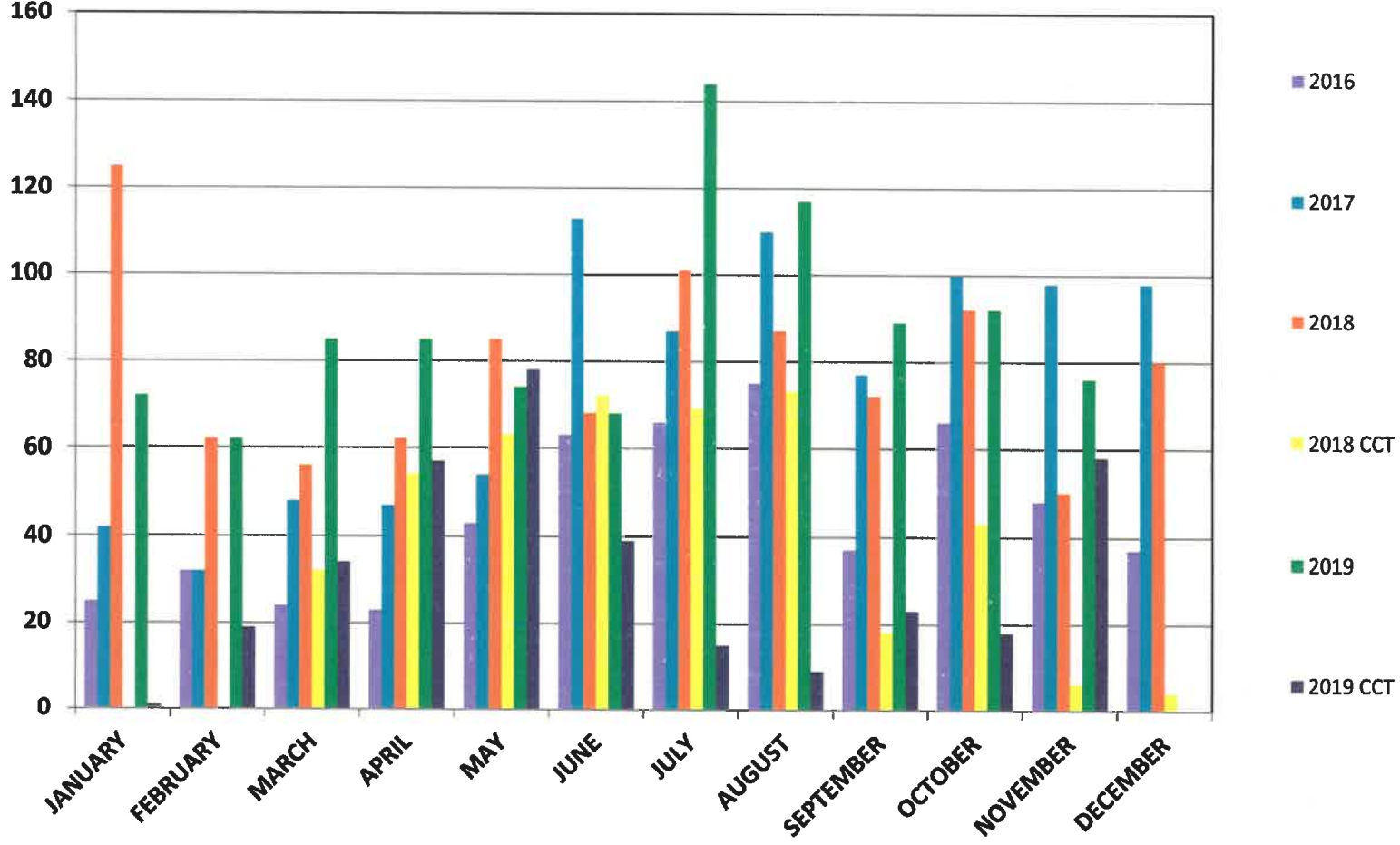
Schedule	Consumer Name	County	Location	Monthly Minimum	Annual Minimum	Construction Costs	Comments
A	Michael Martin	Mineral	4201W250371	\$35.40	\$424.80	\$1,563.00	SP RR UG
A	Trina Caldwell	Rio Grande	3903E040012	\$35.40	\$424.80	\$3,432.00	SP Seasonal OH
A	Mountain Plains Livestock LLC	Rio Grande	4007E290017	\$35.40	\$424.80	\$4,235.00	SP Small Comm UG
LP-A	S L V Irrigation District	Hinsdale	4004W130007	\$80.00	\$960.00	\$23,804.00	SP Lg Power
Total				\$80.00	\$960.00	\$23,804.00	



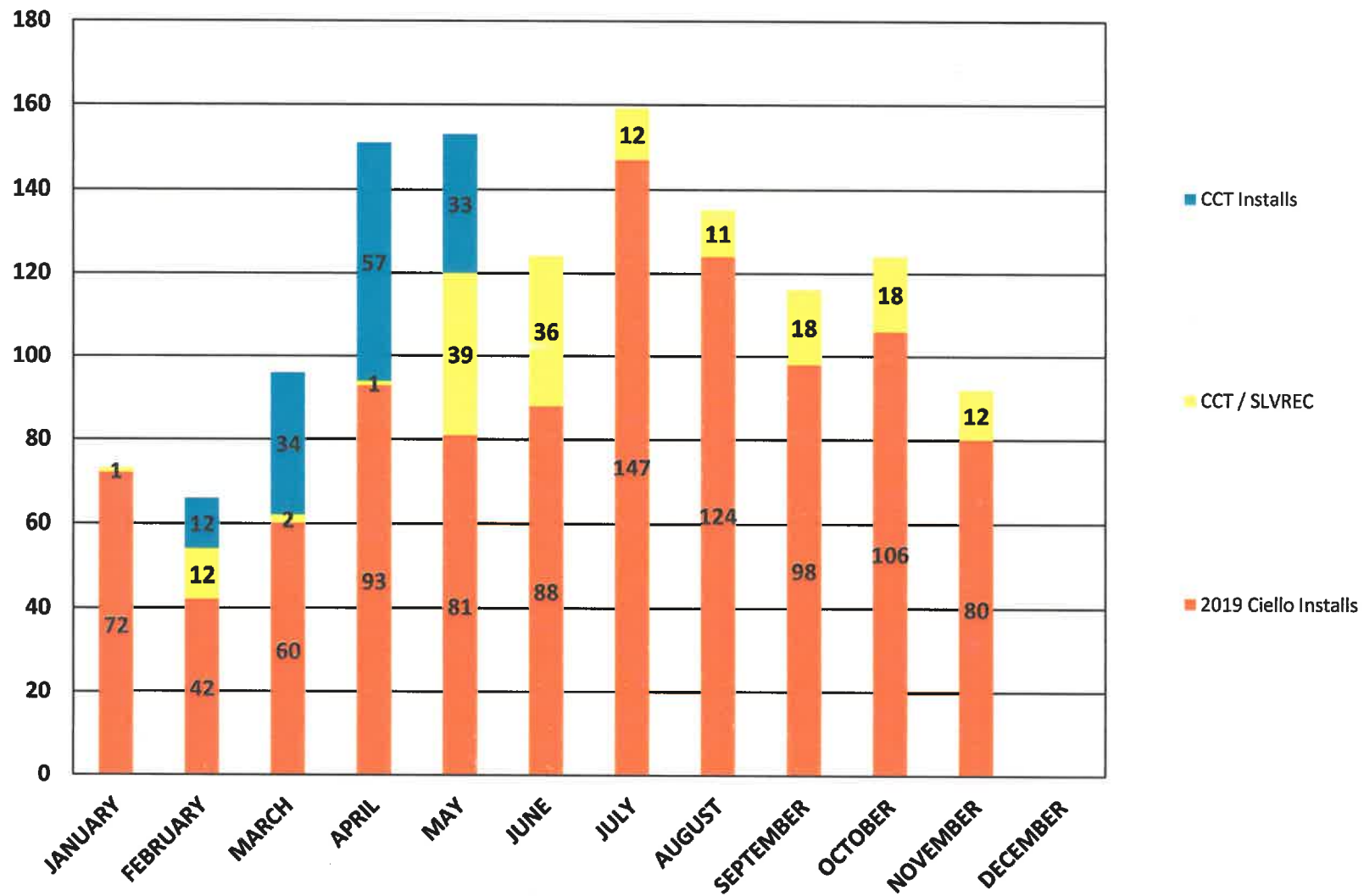
POWERED BY **SLVREC**

Monthly Status Update December 2019

New Fiber Services



2019 Fiber Installs



Installation Status (Built Areas)

Build Area	Passed	Installed	Pending	Take Rates	Seasonality
4UR/Blue Crk/Wagon	143	88	1	62%	63%
Alpine 1-4 / Willow / Shaw	725	345	9	49%	40%
La Jara / Sanford	812	109	4	14%	0%
Bristol / Eagles	321	153	1	48%	70%
Wireless	2,323	779	53	36%	0%
Creede/Deep Creek	870	486	11	57%	24%
DN/Frisco/Pinos	785	412	17	55%	0%
Center	761	37	3	5%	0%
N Farm Rd / Refuge	110	53	3	48%	0%
N Rimrock / Plaza	224	107	2	49%	0%
Monte Vista	1,138	174	15	17%	0%
Moffat / Crestone	86	13	2	1%	0%
Petty John / Sierra	94	50	0	53%	0%
Spring Creek	333	64	34	31%	96%
South Fork	1,206	573	14	49%	38%
Other	70	57	13	100%	0%
Totals	10,007	3,505	181	37%	

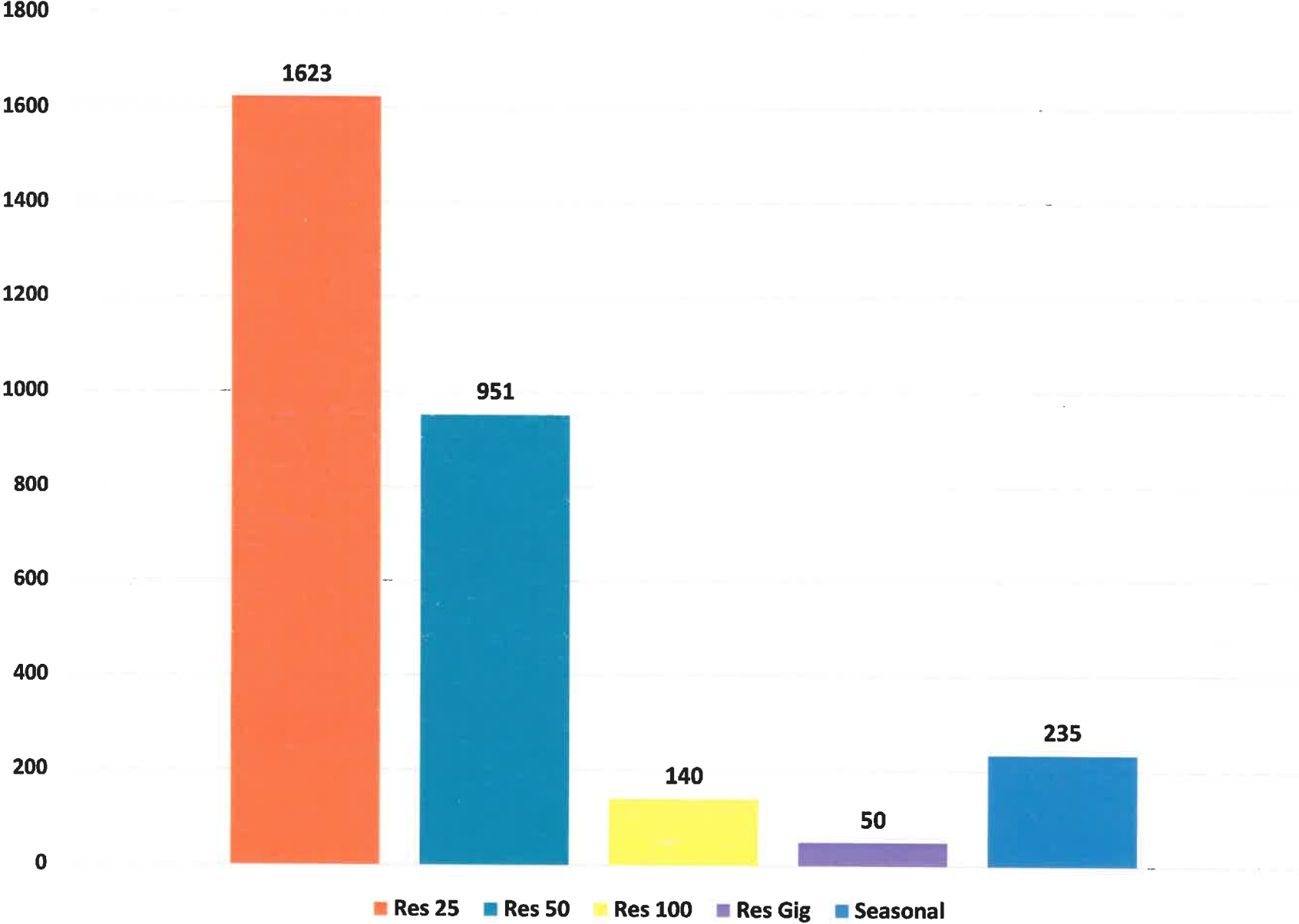
Installation Status CCT

Build Area	Installed	Pending	Total
Ansel Wireless	6	0	6
Aspen Tower	175	0	175
Cemetery Hill Wireless	53	0	53
Center Water Tower	29	0	29
Center Wireless	26	0	26
Crestone Town Tower	12	0	12
Crestone	52	0	52
EMS Tower	95	0	95
La Garita Wireless	13	0	13
Lazy KV Wireless	78	0	78
Moffat Wireless	46	0	46
Plaza Wireless	1	0	1
Russell Wireless	12	0	12
Saguache	3	0	3
Stanley Wireless	3	0	3
Villa Grove Wireless	15	0	15
Zen CCT	113	0	113
Total	732	0	732

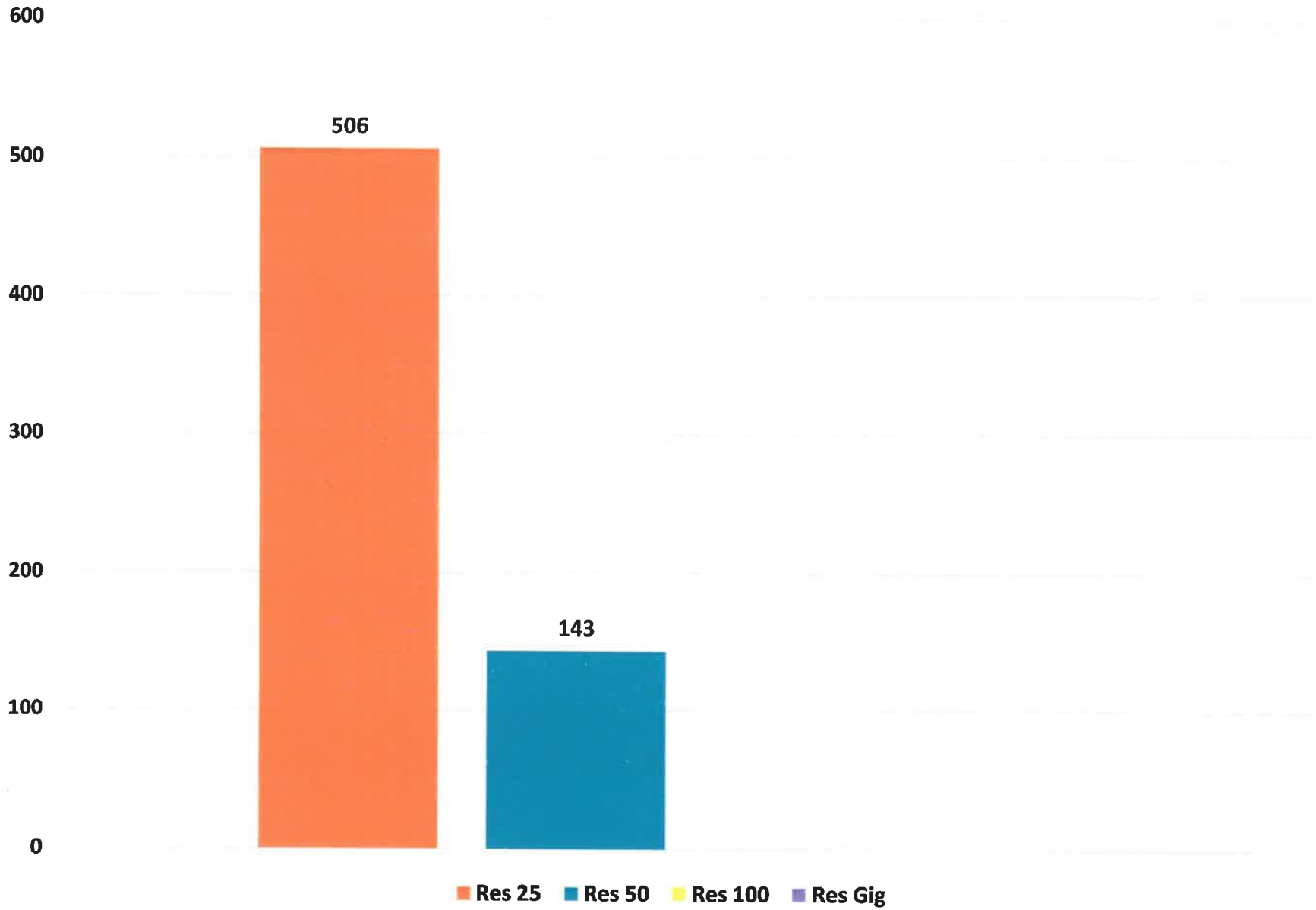
Installation Status Pending Areas

Build Area	Passed	Pending
Saguache	394	9
Total	394	9

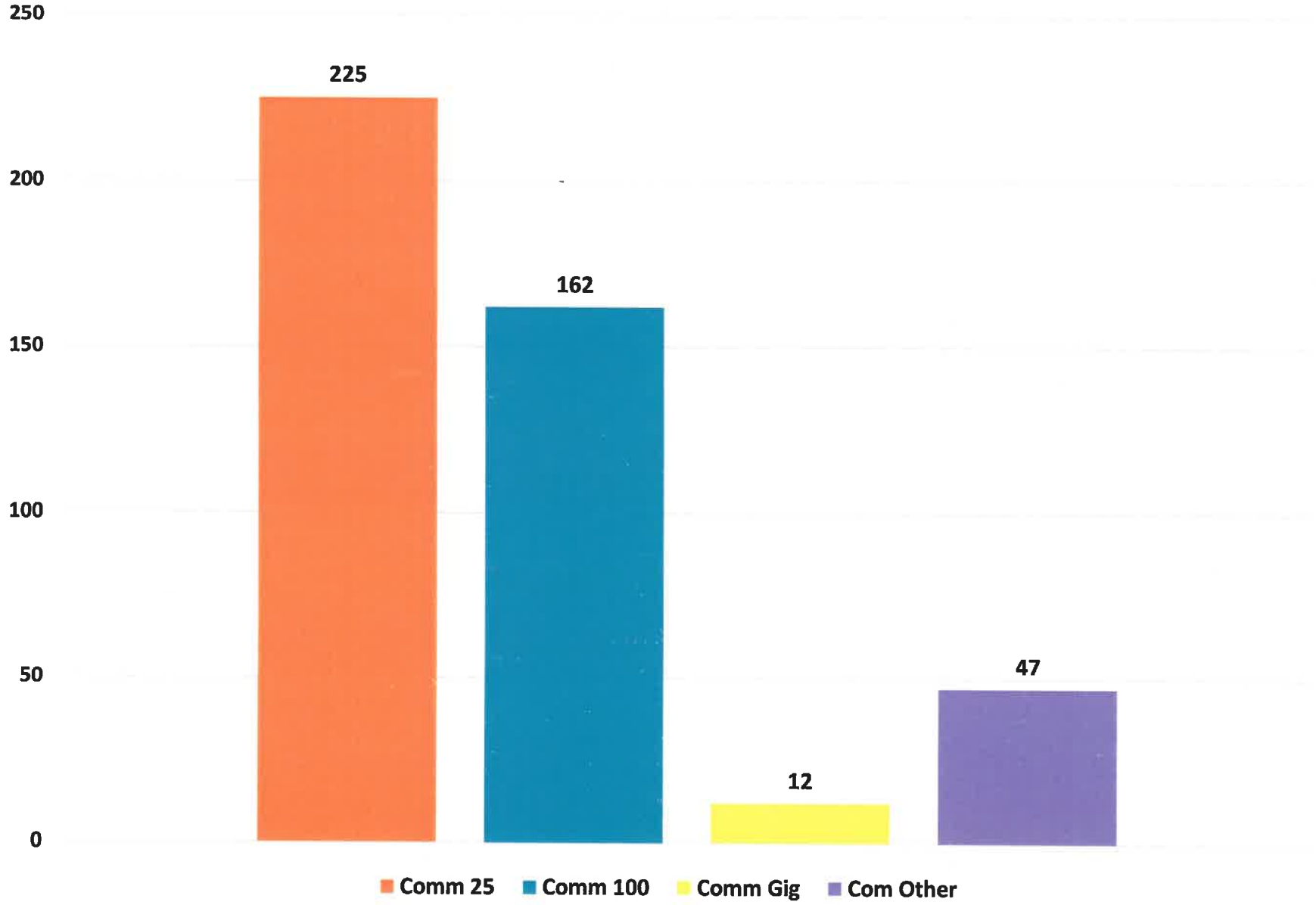
Residential by Type



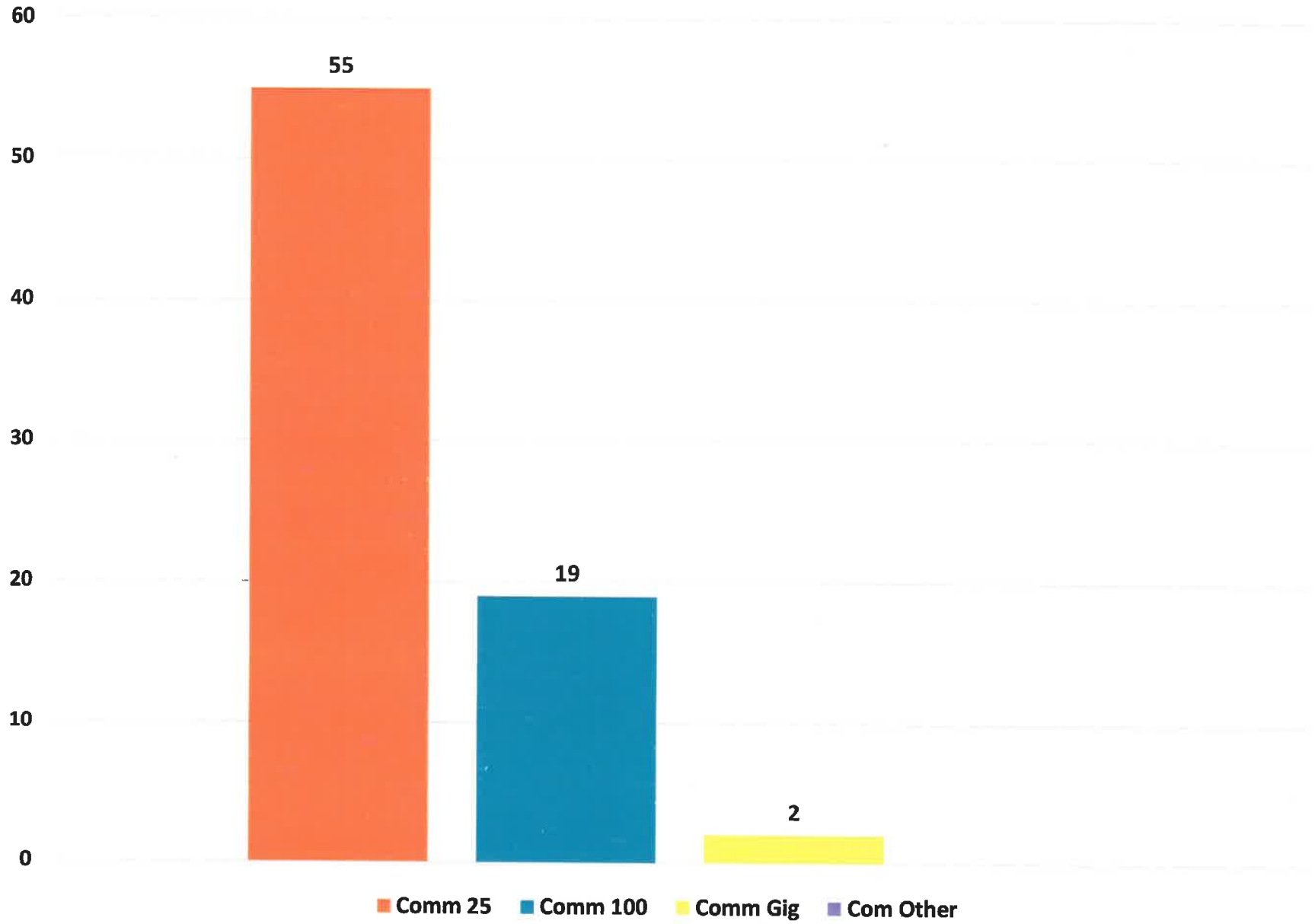
Residential by Type CCT



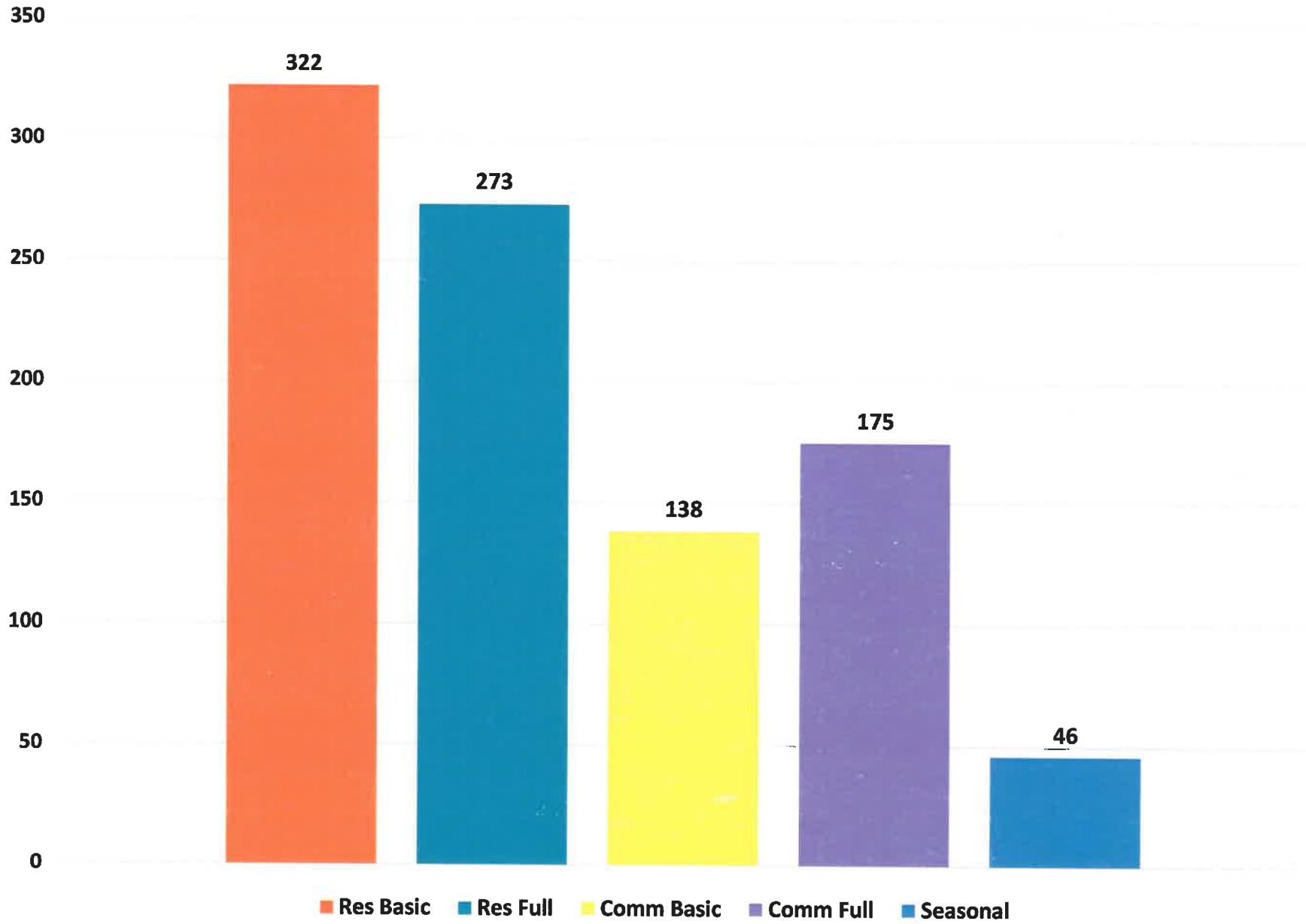
Commercial by Type



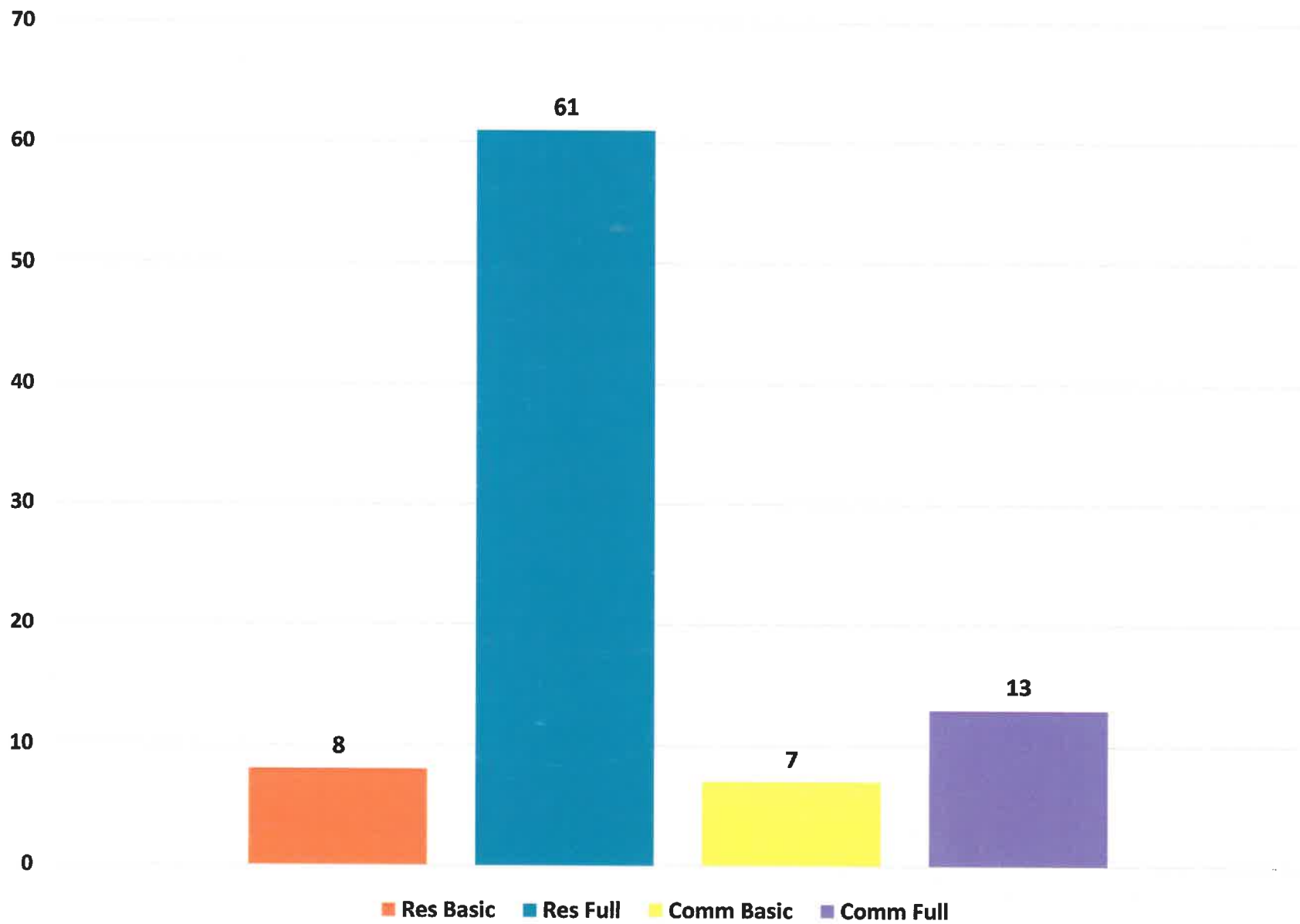
Commercial by Type CCT



Phone by Type



Phone by Type CCT



Miles of Fiber Plant

Type	Miles
Overhead Distribution	330
Underground Distribution	89
Backbone	208
Total	627

2019 Fiber Plant Project

	Actual	Budget	Difference
Backbone	0	0	0
Distribution	2,087,029	2,437,500	(350,471)
Services	1,151,608	1,000,000	151,608
Wireless	19,500	75,000	(55,500)
CCT	1,076,244	666,667	409,577
Substation & NOC Equip	165,386	200,000	(34,614)
Tools & Equipment	17,700	60,000	(42,300)
Totals	4,513,681	4,439,167	74,514

Fiber Plant Project

	Actual	Budget	Difference
Backbone	7,508,955	8,000,000	(491,045)
Distribution	16,619,816	9,685,000	6,934,816
Wireless	305,293	200,000	105,293
Services	5,656,901	4,060,000	1,596,901
Substation & NOC Equip	2,297,968	1,611,000	686,968
Tools & Equipment	208,388	198,050	10,338
CCT	1,897,879	1,716,667	181,212
Totals	34,495,200	25,470,717	9,024,484
Inventory	1,977,255		

Income Statement Revenue

October 2019

	Monthly	YTD	YTD Budget	Difference
Residential Internet	129,980	1,148,285	1,251,075	(102,790)
Commercial Internet	37,084	342,222	359,295	(17,073)
Residential Phone	16,241	152,650	154,470	(1,820)
Commercial Phone	27,177	261,988	270,435	(8,447)
Seasonal Internet	18,778	178,498	146,727	31,771
Seasonal Phone	2,691	23,555	23,110	445
Fees	319	13,307	18,000	(4,693)
Dark Fiber	5,346	53,253	76,000	(22,748)
Totals	237,615	2,173,756	2,299,112	(125,356)

Income Statement Expenses October 2019

	Monthly	YTD	YTD Budget	Difference
Labor	45,036	478,423	435,931	42,492
Benefits	30,624	354,100	304,244	49,856
Allocated	55,342	368,229	266,220	102,009
Other	13,330	133,079	110,500	22,579
Sales & Billing	2,241	22,605	22,486	119
Wholesale & Support	68,162	703,971	651,781	52,190
Marketing	446	38,180	64,800	(26,620)
Financial	155,147	1,438,679	1,563,000	(124,321)
Training	914	7,702	16,158	(8,456)
Locating	7,175	63,627	45,896	17,731
Totals	378,417	3,608,596	3,481,016	127,580

Income Statement Summary

October 2019

	Monthly	YTD	Budget	Difference
Sales	237,615	2,173,756	2,299,112	(125,356)
Expenses	378,417	3,608,596	3,481,016	127,580
Margin	(140,802)	(1,434,840)	(1,181,904)	(252,936)

CCT Income Statement October 2019

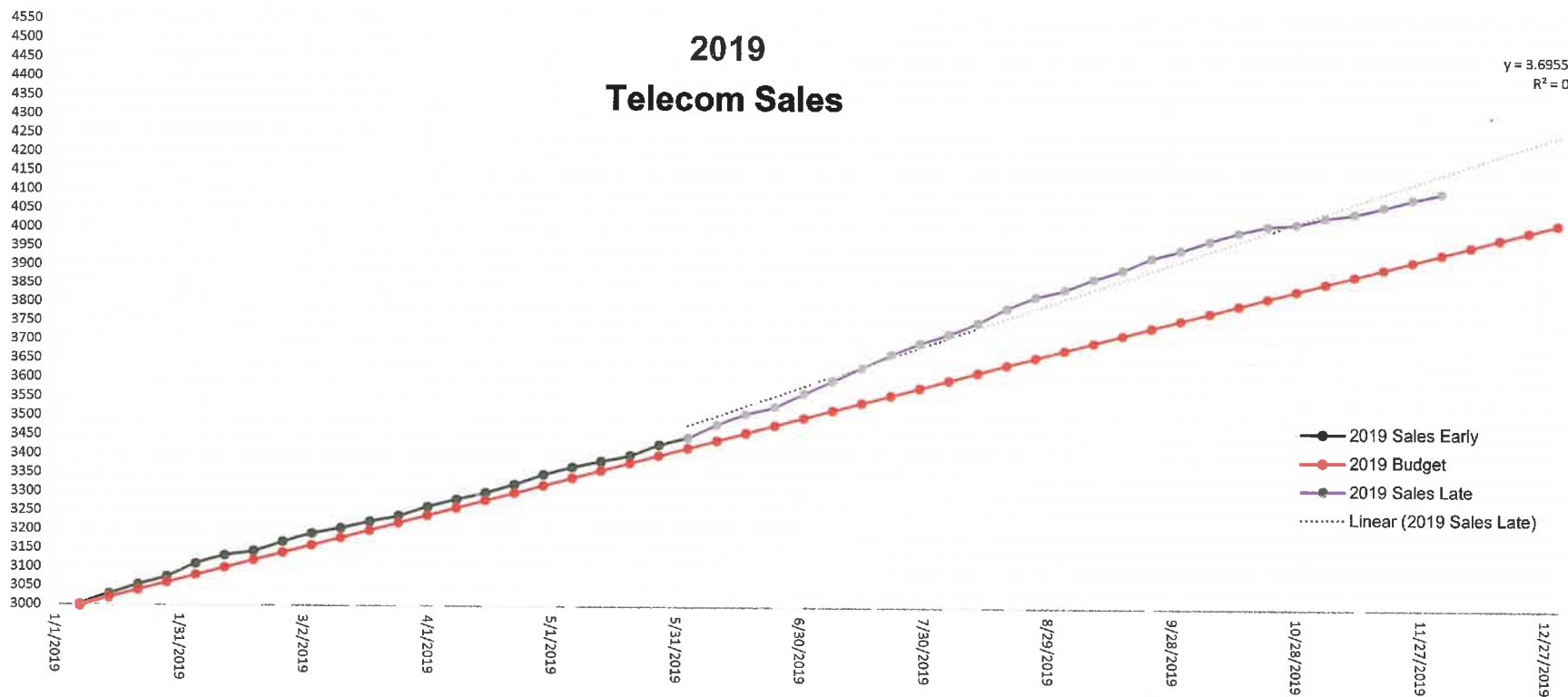
	Monthly	YTD	Budget	Difference
Revenue	5,447	161,263	146,303	14,960
Ciello Conversion Revenue	37,639	310,216	385,667	(75,451)
CCT Management Service Fee	1,362	39,618	36,578	3,040
Tower Rent	404	2,808	7,000	(4,192)
Buyout Amortization	56,250	562,500	562,500	0
Margin	(14,930)	(133,448)	(74,108)	(59,340)

Ciello Loans

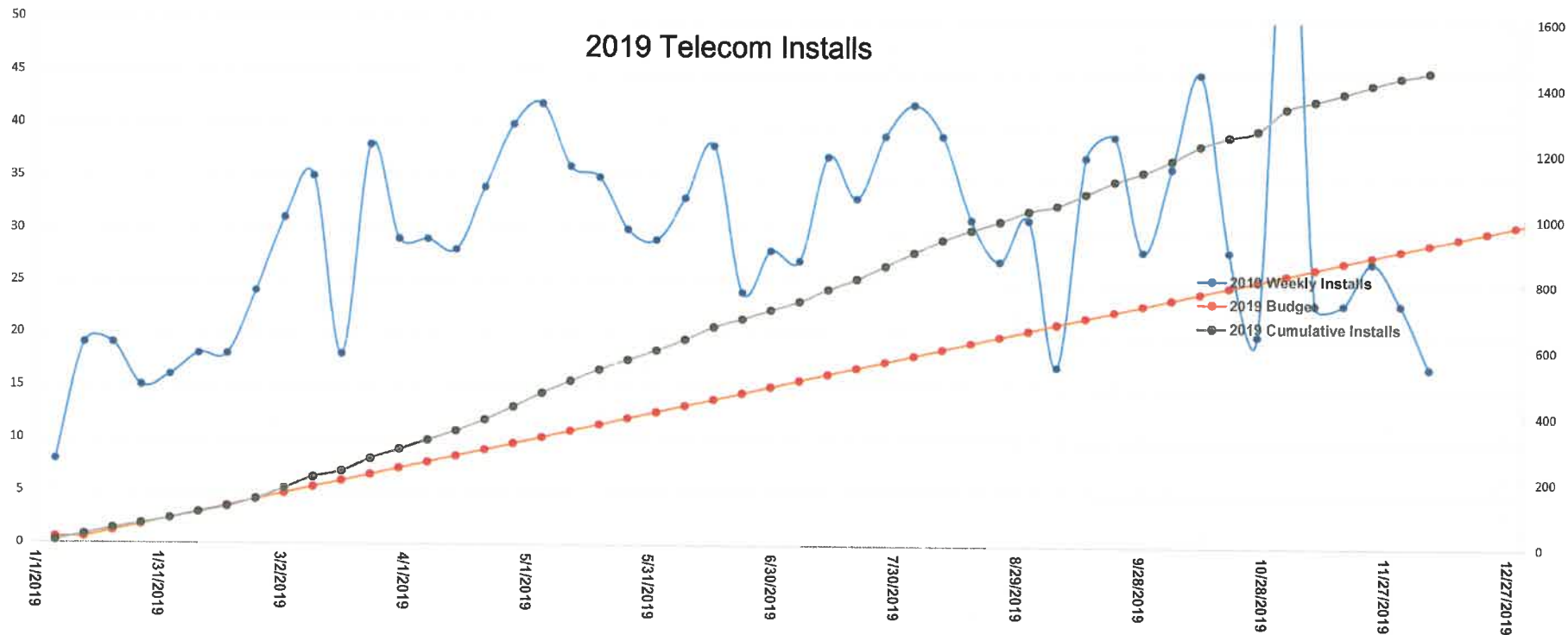
Loan #	Interest Rate	Term	Origination Date	Loan Amount	Principal Owed
23001	3.65%	10 Year	01/28/2015	500,000.00	\$ 291,084.43
23002	4.15%	20 Year	01/28/2015	1,000,000.00	837,973.62
23003	3.75%	10 Year	06/30/2015	700,000.00	443,222.31
23004	4.50%	20 year	06/30/2015	600,000.00	517,179.82
23005	3.35%	10 year	07/27/2016	450,000.00	326,775.02
23006	3.70%	20 Year	07/27/2016	2,960,000.00	2,624,891.31
24001	4.40%	10 Year	12/21/2017	1,460,000.00	1,273,862.28
24002	4.55%	20 Year	12/21/2017	4,040,000.00	3,843,510.24
24003	4.95%	10 Year	07/31/2018	1,135,000.00	1,044,941.76
24004	5.10%	20 Year	07/31/2018	2,735,000.00	2,654,005.50
			TOTALS	\$15,580,000.00	\$13,857,446.29

2019 Telecom Sales

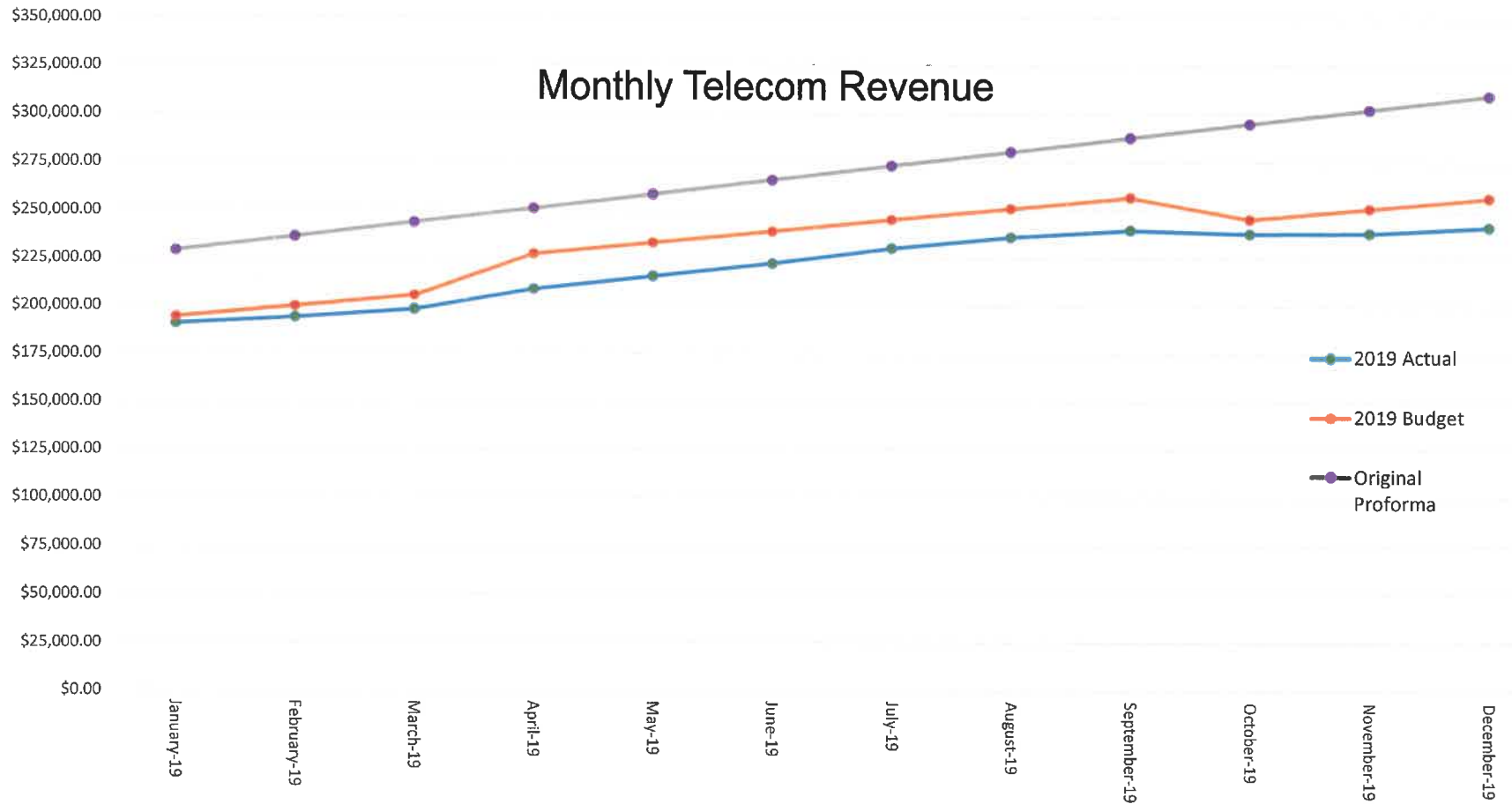
$$y = 3.6955x - 157716$$
$$R^2 = 0.9841$$



2019 Telecom Installs



Monthly Telecom Revenue



HOSKIN FARINA & KAMPF
PROFESSIONAL CORPORATION

**San Luis Valley REC
Attorney's Report
December, 2019**

This month the Colorado PUC case was resolved as was reported at the October Board meeting. The Cooperative will engage in community meetings over the next year in compliance with the settlement agreement.

We have written a memorandum to Loren about the Federal Fish and Wildlife Service's enforcement authority concerning incidental kills of bald and golden eagles and other birds. We can discuss this legal matter, probably in an executive session.

At this time of year, we are especially grateful for our association with your fine Cooperative.

HOSKIN FARINA & KAMPF
Professional Corporation


Gregg Kampf

(This report is being sent via e-mail)

COLORADO Co-op Report



A MONTHLY REPORT OF COLORADO RURAL ELECTRIC ASSOCIATION // NOVEMBER 2019



SUPPORT FOR INTERNATIONAL PROJECTS

CFC (Cooperative Finance Corporation) continues its support for NRECA International by assisting individual states who participate in the program by sending teams and supplies to bring electricity to those without it in other countries. Above, CFC CEO Sheldon Petersen (center) presents a check for \$60,000 to CREA Executive Director Kent Singer (left) and Oklahoma Association of Electric Cooperatives General Manager Chris Meyers (right). The money will help offset the costs of the two states' recent project in Sillab, Guatemala. See a video of the project [here](#).

CREA, Tri-State Partner on Beneficial Electrification

The Colorado Rural Electric Association and Tri-State Generation and Transmission Association are among the inaugural industry partners that established the Colorado chapter of the Beneficial Electrification League.



Other partners include the National Rural Electric Cooperative Association, Natural Resources Defense Council, the Colorado Energy Office and the Southwest Energy Efficiency Project. This is BEL's first state chapter.

Beneficial electrification promotes the efficient use of electricity to replace fossil fuels to benefit consumers, help improve the environment and provide a robust and resilient energy system. BEL and the Colorado chapter are non-profits focused on the advancement of market acceptance for beneficial electrification concepts, policies, practices, technologies and business models.

"Colorado's electric co-ops have encouraged the beneficial use of electricity in the communities they serve for many years," noted CREA Executive Director Kent Singer. "The creation of the Beneficial Electrification League of Colorado will provide a platform that CREA's members can use to enhance their beneficial electrification efforts throughout the state."

CREA HOSTS NATIONAL SAFETY CONFERENCE

Quad States, an organization of electric utility safety people primarily from cooperatives and municipal utilities, will bring its winter meeting to Denver January 13-16 with CREA's safety and loss control department as its host.

Safety professionals from 22 states will meet to upgrade their skills, exchange information, find solutions to common challenges and share training programs. Colorado electric co-op safety personnel and lineworkers

are encouraged to attend.

Topics for the conference include winter truck driving skills, cybersecurity, distracted driving, communication among team members, winter survival, marijuana and its impact on electric co-ops, safety on the job and more.

Registration information has been sent to each co-op. Contact Corine Archuleta at carchuleta@coloradorea.org with questions. Registration deadline is December 15.

UPCOMING EVENTS

NOVEMBER 28-29

CREA OFFICES
CLOSED FOR HOLIDAY

DECEMBER 4-5

CREA MANAGERS
MEETING • DENVER

DECEMBER 5-6

CREA BOARD MEETING
1:30PM/8:30AM

DECEMBER 24-25

CREA OFFICES
CLOSED FOR HOLIDAY

HIGHLIGHTS FROM OCTOBER CREA BOARD MEETING

At the Saturday, October 26 CREA board meeting, staff presented the proposed 2020 budget. The board will adopt a budget at its December meeting. Highlights include:

- A 5.2% increase in the General Administration budget with a 7% dues increase, the first dues increase in three years.
- No change in the subscription fee for *Colorado Country Life*, which is 37¢, less than today's 55¢ first class stamp.
- An increase of 15% in the Safety & Loss Control Department budget with a 14% dues increase. The budget includes changing a part-time position to full time.

Board Legislative Focus

At the board meeting, CREA's government relations team reported on its continued work in preparation for the legislative session. Most recently, Sangre de Cristo CEO Paul Erickson, Mountain Parks General Manager Mark Johnston and CREA Executive Director Kent Singer testified before the interim Wildfire Review Committee. Nine Colorado CEOs have testi-



During the October CREA board meeting CFC Regional Vice President Chip Marks (right) presents a check for nearly \$20,000 to CREA from CFC and NCSC. This money will be used for CREA's education and youth programs.

fied before an interim committee this year.

The board also approved running legislation in three areas: co-op election reform, solar on schools, and on-bill financing. Sponsors for all three of these bills have been confirmed, and

the legislation will be introduced when the General Assembly convenes in January.

The board also met with State Representative Jeni Arndt. Arndt discussed Proposition DD, Proposition CC, and water issues.

Executive Director Report

During his report, Singer noted that the Colorado PUC has several ongoing dockets affecting the co-ops. First is the regulation of Tri-State G&T's resource planning process and when Tri-State will submit its first resource plan. The PUC is also revising the interconnection rules and rewriting its procedural rules.

He also reported on The Rural Act to fix the Tax Act of 2017 that had the unintended consequence of affecting a co-op's tax status if the co-op receives a state or federal grant. All of Colorado's delegation has signed onto the legislation except Rep. Dianna DeGette and Rep. Joe Neguse.

The Department of Agriculture is sponsoring meetings on funding for energy efficiency projects December 10-12.



SAFETY ACCREDITATION RECOGNIZED

Colorado electric co-ops who went through their Rural Electric Safety Accreditation Program inspection in 2019 were recognized at the CREA Fall Meeting. Accepting their co-ops' certificates are (left to right) Dave Frick, Morgan County REA; Dave Churchwell, K.C. Electric; Dennis Herman, Highline Electric; Scott Simmons, Mountain Parks Electric; Steven Anderson, Poudre Valley REA; Suzy Kelly, Sangre de Cristo Electric; Steve Valdez, San Luis Valley REC; and Kent Singer, CREA.

CARE Auction Raises \$22,500

Sunday, October 27 CARE raised \$22,500 through its annual silent and live auction, which opened the CREA Fall Meeting prior to the annual Energy Innovations Summit.

Thank you to all of the cooperatives, community partners and individuals who participated in the auction by donating or bidding on items. Without your support CARE would not have exceeded the 2018 auction total.

Auction proceeds support the CARE Membership Independent Expenditure Committee. The CARE Committee uses this money to support candidates for statewide office who support cooperative issues.

INNOVATIONS SUMMIT LOOKS TO FUTURE

Stakeholders from all parts of the electric industry in Colorado were among the approximately 350 people attending the CREA Energy Innovations Summit October 28 in downtown Denver.

A lively discussion of what is needed for Colorado's electric industry, particularly the electric co-ops, to transition to more renewables opened the event. Former Gov. Bill Ritter, now with the Center for the New Energy Economy, and Duane Highley, new CEO of Tri-State Generation and Transmission Association, talked about the innovations on the horizon that both of their organizations are pursuing.

The day-long conference also included luncheon speaker Michael Shellenberger, a pro-nuclear energy environmentalist named by *Time* magazine as a "hero of the environment."

Other topics discussed during the day included breakout sessions on community choice aggregation, micro grids, new technologies and beneficial electrification. There was also an update on energy storage before the day wrapped up with an update of regional electricity markets for Colorado.

Vendors also shared their products and services and helped cover the conference's costs.

To hear the opening discussion and several other sessions, visit <https://crea.coop/crea-podcasts/>. To review slides presented during panel discussions, visit crea.coop then click on Industry News, then Energy Innovations, then Presentations.



CREA Executive Director Kent Singer (right) discusses Colorado's energy future with Tri-State CEO Duane Highley (center) and former Gov. Bill Ritter of The Center for the New Energy Economy.



Luncheon speaker Michael Shellenberger shares his pro-nuclear views during the Energy Innovations lunch.



Benjamin Schenkman of Sandia National Laboratories talks about energy storage with the Summit audience.



Scott Simmons of Mountain Parks Electric shares information during a breakout session on new technologies.

RESMA Conducts Fall Meeting

CREA Executive Director Kent Singer attended the fall meeting of the Rural Electric Statewide Managers Association last week in Huntington Beach, California.

The statewide managers heard a presentation by David Wasserman of the Cook Political Report, who predicted that the Democrats have a 60%–70% chance of maintaining the majority in the U.S. House while the Republicans have the same odds of maintaining their majority in the U.S. Senate after the 2020 election. Wasserman also gave President Trump a 50%–55% chance of being re-elected although losing the popular vote. Wasserman noted that of the current leading Democratic candidates, many have taken positions that are unpopular with the general electorate.

The statewide managers also heard from NRECA's Stephen Bell, who talked about the NRECA lexicon project and particularly the Young Adult Member Engagement pilot program. Phil Irwin from Federated Insurance gave an update on the reinsurance program and the efforts to assist co-ops that have been impacted by wildfires. The statewide managers also discussed issues such as broadband deployment by co-ops and carbon regulation as part of the roundtable discussion.



Register Now for NRECA Annual Meeting

Colorado has been assigned to the New Orleans Downtown Marriott at the Convention Center Hotel for the NRECA Annual Meeting March 1-4. This is the headquarters hotel.

This year the meeting will be focused on beneficial electrification, digital and data transformation of the industry and consumer engagement and expectations. Keynote speaker for the event is Pablos Holman, a hacker, inventor and technology futurist. There will also be peer-to-peer learning opportunities, a chance to visit The Lab at TechAdvantage that will connect attendees with new technologies, and the annual community service project on Saturday.

The Next Generation Leaders Experience will also be offered for emerging cooperative leaders who want to build their co-op knowledge and extend their professional network.

Register now at cooperative.com.

CREA CELEBRATES 75 YEARS AT ANNUAL MEETING

CREA will celebrate its 75th anniversary during its annual meeting February 8-11 at the Hilton Denver City Center Hotel in downtown Denver.

There will be a special celebration during the Sunday, February 9, awards banquet. The weekend meeting will also include director training courses, guest speakers, CREA's annual meeting, Monday's legislative reception, and Tuesday's Co-op Day at the Capitol.

Electricity 101 will be presented Saturday, February 8 and will focus on how imbalance markets, such as the Southwest Power Pool, work.

Click [here](#) to connect with the registration system.



Women's Task Force Honors Member

Karolyn Michalewicz was honored during the October 28 meeting of the Colorado Women's Task Force. The organization, comprised of spouses of electric co-op managers and board members, also voted to begin the process of changing its name.

The organization, founded in 1974, has served as a philanthropic organization, providing funds for CREA's youth programs and a variety of projects throughout the state's electric co-op service territory including the Dave Hamil wing of the Overland Trail Museum in Sterling. The group voted in October to change its name to the CREA Task Force. It will meet again February 10 during the CREA Annual Meeting in Denver.

The Task Force inducted Karolyn Michalewicz into the Task Force Hall of Fame. Karolyn has been involved with the group since 2013 when her husband, Alan, became general manager at White River Electric. She fully committed to the organization and served as secretary/treasurer, vice president and president. She contributed energy, enthusiasm and creativity to the success of the organization.

TRI-STATE OPENS DOOR FOR MORE COMMUNITY SOLAR

Electric co-ops that purchase their electricity from Tri-State Generation and Transmission Association have a new opportunity to promote community solar thanks to a program approved by Tri-State's board in November.

The community solar program supports member-owned or controlled solar photovoltaic systems, which are marketed to cooperative retail consumer-members under subscription arrangements. Consumers can participate in community solar projects and gain the benefits of clean energy and lower power costs, regardless of the orientation or location of their home.

Solar generation under the program will not be included in the 5% self-supply provisions agreed to by members in their wholesale power contracts with Tri-State. Tri-State's total commitment to the program, if acted upon by all members, would be 63 megawatts of community solar projects.

Poudre Valley Rural Electric Association presented the community solar proposal through the membership's contract committee. The committee continues to review options to provide members more flexibility for power supply, including partial requirements contracts and additional local renewable energy.



Currently, approximately 31% of the electricity consumed by Tri-State's members comes from renewable resources. With the addition of two recently announced projects, Tri-State's wind and solar resources will be increasing by an additional 45%. This increase in renewable generation allows

Tri-State to serve the equivalent of more than half a million rural homes with renewable resources. Tri-State will further increase that amount from its sixth renewable energy request for proposals, which was released in June 2019.

EMPLOYEE EDUCATION CONTINUES

CREA has six classes scheduled at four different co-ops in December. To register or for more information, go to CREA's website at www.crea.coop. The classes include:

- **Regulator/Recloser/Transformer Banking** – December 2-3 & 4-5 – United Power, Brighton
- **Principles of Leadership** – December 3-5 – Poudre Valley REA, Windsor
- **Voltage Regulators** – December 5 – San Isabel Electric, Pueblo West
- **OSHA 10-Hour** – December 9-10 – Mountain View Electric, Falcon
- **OSHA 30-Hour** – December 9-12 – Mountain View Electric, Falcon

Co-op, Partners Set Ag Workshops

A series of energy-related sessions focusing on energy efficiency, cost savings, on-farm renewables and funding assistance are set for December 10, 11 and 12 in eastern Colorado. The Colorado Energy Office and the Colorado Department of Agriculture will host the meetings for farmers and ranchers in cooperation with a variety of ag organizations including CREA and its member co-ops.

Created through a partnership between the U.S. Department of Agriculture Natural Resources Conservation Service, state government and ag industry leaders, the workshops will feature presenters from CEO, CDA and the Colorado Climate Center.

The workshops, which include lunch or dinner, are free. To register, visit eventbrite.com. Search for energy-smart-agriculture-workshop and then select a workshop.

They are Tuesday, December 10 at 4:30 p.m. at Island Grove Regional Park Bunkhouse, 607 N. 15th Ave., Greeley; Wednesday, December 11 at 10 a.m. at Logan County CSU Extension office, 508 S. 10th Ave. #1, Sterling; Wednesday, December 11 at 4:30 p.m. at Burlington Community Center, 340 S. 14th St., Burlington; and Thursday, December 12 at noon at Lamar Community College (Bowman 147), 2401 S. Main St., Lamar.

For information, contact Darrell Hanavan at 303-981-4430 or dhanavanco@gmail.com.

CREA Trainer Earns Safety Certification

Curt Graham (left) accepts his Certified Loss Control Professional credential from CREA Executive Director Kent Singer during the CREA Fall Meeting banquet.

Curt, who is a job training and safety instructor for CREA, completed requirements that include a demonstrable knowledge of rules, regulations and safety standards for power generation, transmission and distribution; effective use of communication to lead in creating a culture of safety; and safe work practices and procedures through understanding co-op safety standards.

CREA Safety and Loss Control Director Dale Kishbaugh and Job Safety and Training Instructor Dan Whitesides also maintain their CLCP designation.



CALENDAR

NOVEMBER 28-29
CREA Offices Closed
Thanksgiving Holiday

DECEMBER 2-3
Regulator/Recloser/Transformer
Banking
United Power • Brighton

DECEMBER 3-5
Principles of Leadership • Session 3
Poudre Valley REA • Windsor

DECEMBER 4-5
Regulator/Recloser/Transformer
Banking
United Power • Brighton

DECEMBER 4-5
CREA Managers Meeting
9:30am/7:30am • CREA • Denver

DECEMBER 5
Voltage Regulators
San Isabel Electric • Pueblo West

DECEMBER 5-6
CREA Board Meeting
1:30pm/8:30am • Denver

DECEMBER 9-10
OSHA 10-hour
Mountain View Electric • Falcon

DECEMBER 9-12
OSHA 30-hour
Mountain View Electric • Falcon

DECEMBER 10-12
Mid-West Electric Annual Meeting
Grand Hyatt Hotel • Denver

DECEMBER 15-18
NRECA Winter School for Directors
Nashville, TN

DECEMBER 24-25
CREA office closed for
Christmas holiday

JANUARY 1
CREA office closed for
New Year's Day

FEBRUARY 3-5
Touchstone Energy NET Conference
Amelia Island Resort • Fernandina
Beach, FL

COLORADO CO-OP NEWS NOTES

- **Three electric co-ops** were among the winners of the annual Colorado Renewable Energy Society's inaugural Courage Award in October. **Poudre Valley REA, Delta-Montrose Electric** and **Holy Cross Energy** were honored for working for structural reforms to expand the use of renewable energy and help Colorado citizens enjoy cleaner energy.
- **Delta-Montrose Electric** announced the passing of Betty Klaseen October 17. She was active in the Colorado Women's Task Force while her husband, Charles, served on the DMEA board.
- **Gunnison County Electric** now has a Chevy Bolt that it allows consumer-members to "check-out" for test drives so that they can get a realistic experience with an electric vehicle. The co-op also has a Tesla Model 3 in its fleet.
- **Highline Electric** in Holyoke has participated in the U.S. Department of Agriculture's Rural Economic Development Loan and Grant program since it awarded a low-interest loan to aid in building Melissa Memorial Hospital in Holyoke and Crook Community Center and Fire Hall in Crook 10 years ago. As these loans were repaid, a revolving loan fund was created which has made nine subsequent loans for various economic development projects.
- **Holy Cross Energy** in Glenwood

Springs will purchase the electricity from a recently approved 5-megawatt solar farm near Woody Creek in Pitkin County. It is being developed by Renewable Energy Systems of Broomfield.



- **Mountain Parks Electric** in Granby dedicated its new 1-MW Tom Sifers Solar Array in Fraser November 7. The 3,600-panel tracking array will generate enough electricity to power approximately 300 homes. It is the first renewable project in the Fraser Valley, but joins renewable projects at the Granby Dam, the Whiskey Hill Solar array in Walden and Grand Lake's micro-hydro project as renewable project on MPE's system. It is named for MPE's former general manager Tom Sifers.
- **Sangre de Cristo Electric** lineworker Stacey Moss won a four-year seat on the Buena Vista School Board in the November 5 election, receiving 74% of the vote.

COLORADO RURAL ELECTRIC ASSOCIATION

2020 CALENDAR OF EVENTS

<u>January</u>	<u>Event</u>	<u>Facility</u>	<u>Location</u>
7 – 8	Tri-State Board Meeting	Tri-State G&T	Westminster, CO
7	Webinar: Utility Easements: Rights & Obligations	-	-
8	Journeyman Certification Test	Doubletree Hotel	Grand Junction
9	Hot Line School Board Meeting	Doubletree Hotel	Grand Junction
12 – 15	NRECA CEO Close-up	JW Marriott Desert Springs Resort	Palm Desert, CA
13 – 16	Line Design & Staking Level 1	CREA Headquarters	Denver, CO
13 – 16	Quad State Instructors Winter Conference		Denver, CO
21 – 22	Tri-State Member System CEOs Meeting	Tri-State G&T	Westminster, CO
21 – 22	Tri-State Manager's Meeting		
30	CREA New Director Orientation	CREA	Denver, CO
30	Western United Board Meeting	Western United Headquarters	Brighton, CO
30 – 31	CREA Board of Directors Meeting	CREA Headquarters	Denver, CO
<u>February</u>			
3 – 5	Touchstone NET Conference	Omni Amelia Island Resort	Amelia Island, FL
4 – 5	RESAP Observation Training	Grand Valley Power	Grand Junction, CO
3 – 6	Line Design & Staking Level 2 & 2 Day NESC Update	CREA Headquarters	Denver, CO
3 – 6	Digger Derrick Certification	CO Crane School	Frederick, CO
4 – 5	Tri-State Board Meeting	Tri-State G&T	Westminster, CO
4	Webinar: Understanding Wire Slap	-	-
8	Director Course 2620: Board Operations & Process	Hilton Denver City Center	Denver, CO
8	Electricity 101	Hilton Denver City Center	Denver, CO
8 – 11	CREA Annual Membership Meeting	Hilton Denver City Center	Denver, CO
9	CEEI Annual Meeting	Hilton Denver City Center	Denver, CO
9	Director Course 953.1: Improving Board Decision Making Quality	Hilton Denver City Center	Denver, CO
10	CREA Manager's Breakfast Meeting	Hilton Denver City Center	Denver, CO
10	Western United Annual Meeting	Hilton Denver City Center	Denver, CO
10 – 13	Digger Derrick Certification	DMEA	Montrose, CO
11	CARE Annual Meeting	First Baptist Church of Denver	Denver, CO
11	Co-op Day at the Capitol	First Baptist Church of Denver	Denver, CO
18 – 19	RESAP Observation Training	San Isabel Electric	Pueblo West, CO
27 – 28	CREA Board of Directors Meeting	CREA Headquarters	Denver, CO
27 – 29	Director Education Programs (Pre-Annual)	Ernest N. Morial Convention Ctr	New Orleans, LA
27 – Mar. 4	NRECA Annual Meeting	Ernest N. Morial Convention Ctr	New Orleans, LA
<u>March</u>			
1 – 4	NRECA TechAdvantage Conference & Expo	Ernest N. Morial Convention Ctr	New Orleans, LA
2	CFC Annual Meeting	Ernest N. Morial Convention Ctr	New Orleans, LA
3	Federated Annual Meeting	Ernest N. Morial Convention Ctr	New Orleans, LA
9 – 10	CREA Manager Meeting/Legislative Lunch	TBA	Denver, CO
9 – 12	OSHA 10/30hr	TBA	TBA
10	Webinar: Separable Connectors in Underground Systems	-	-
10 – 11	Tri-State Board Meeting	Tri-State G&T	Westminster, CO

COLORADO RURAL ELECTRIC ASSOCIATION 2020 CALENDAR OF EVENTS

2 – 3	Tri-State Board Meeting	Tri-State G&T	Westminster, CO
3	Holy Cross Energy Annual Meeting	Spring Creeks Ranch	Carbondale, CO
<u>June continued</u>			
4	K.C. Electric Annual Meeting	Cheyenne Wells School	Cheyenne Wells, CO
4	Mountain View Annual Meeting	TBA	Falcon, CO
5 – 10	NRECA Summer School East	TBA	Charleston, SC
6	Y-W Electric Annual Meeting	TBA	Akron, CO
9	San Luis Valley Annual Meeting	TBA	TBA
9	Sangre de Cristo Annual Meeting	Mt. Princeton Hot Springs	Nathrop, CO
11	San Miguel Annual Meeting	San Miguel Power Assn.	Nucla, CO
15 – 17	CFC Forum	TBA	Salt Lake City, UT
18	Webinar: Designing Secondary & Services	-	-
18	Delta-Montrose Annual Meeting	TBA	TBA
18 – 25	Washington, D.C. Youth Tour		Washington, D.C.
23	Yampa Valley Annual Meeting	TBA	TBA
23	Gunnison County Electric Annual Mtg	GCEA Headquarters	Gunnison, CO
26	CREA Board Meeting (webinar call)		
30 – July 1	Tri-State Board Meeting	Tri-State G&T	Westminster, CO
TBA	HR Conference	Empire Electric	Cortez, CO
TBA	IT Conference		
TBA	Colorado Manager's Meeting		
TBA	CREA Mechanics Conference	Holy Cross Energy	Glenwood Spgs, CO
TBA	Beneficial Electrification	History CO/Denver	Multiple
TBA	EnergyWise Group Roundtable	CREA	Denver, CO
TBA	Empire Electric Annual Meeting	EEA Headquarters	Cortez, CO
<u>July</u>			
7	Webinar: Load Balancing on Wye Systems	-	-
11 – 16	Youth Leadership Camp	Glen Eden	Clark, CO
13 – 15	NRECA INTERACT Conference	TBA	Phoenix, AZ
13 – 15	CoBank Energy Directors Conference	The Broadmoor	Colorado Springs, CO
20 – 22	NRECA Legal Seminar	TBA	Stowe, VT
21 – 22	Safety & Loss Control Seminar		
23 – 24	Tri-State Managers Meeting	TBA	TBA
24 – 29	NRECA Summer School West	TBA	Salt Lake City, UT
TBA	Journeyman Testing – Hotline School	Tri-State G&T	Westminster, CO
TBA	HLS Board Meeting	Tri-State G&T	Westminster, CO
<u>August</u>			
2 – 4	CREA Manager's Meeting	TBA	Durango, CO
2 – 5	NRECA Tax, Finance & Accounting	TBA	Portland, OR
4 – 5	Tri-State Board Meeting	Tri-State G&T	Westminster, CO
4 – 6	CoBank Communications Industry Executive Forum	The Broadmoor	Colorado Springs, CO
6	Grand Valley Power Annual Meeting	Colorado Mesa University	Grand Junction, CO
10 – 12	NRECA Legal Seminar	TBA	Park City, UT
10 – 13	OSHA 10/30hr	CREA	Denver, CO

COLORADO RURAL ELECTRIC ASSOCIATION 2020 CALENDAR OF EVENTS

1 – 2	Tri-State Board Meeting	Tri-State G&T	Westminster, CO
2 – 3	CREA Manager's Meeting	CREA Headquarters	Denver, CO
3 – 4	CREA Board of Directors Meeting	CREA Headquarters	Denver, CO
7 – 10	Digger Derrick Certification	CO Crane School	Frederick, CO
<u>December continued</u>			
8	Webinar: Storm Hardening Best Practices	-	-
8 – 10	Mid-West Electric Annual Meeting	Grand Hyatt	Denver, CO
11 – 16	NRECA Winter School	TBA	Nashville, TN



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SALES AND FINANCIAL REPORT FOR NOVEMBER 2019

Record sales for the month of November totaled \$11.3M which surpassed last year's previous record of \$10.1M. Total YTD sales of \$62.9M is 6.6% higher than last year, while YTD margins of \$3.7M are up 12.7%. Sales to member coops remains flat through November while business to Contractors is up 77.9% YTD.

WUE's system conversion from SAP to P21 was implemented on December 1st. The entire staff worked throughout the Thanksgiving weekend to ensure a smooth transition. The conversion includes a new website so please check it out at wue.coop. Construction is underway on our 25K square foot warehouse addition. The foundations are complete and steel is currently being erected.

Once again, the entire staff from Western United Electric Supply Corporation Thanks You, our OWNERS, for your continued support and loyalty, and for investing in the company that you own. Please let us know your comments or suggestions on how we can better serve you. HAPPY HOLIDAYS.

Greg Mordini
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(720) 880-7022

**WESTERN UNITED ELECTRIC SUPPLY
FINANCIAL REPORT
YEAR TO DATE HIGHLIGHTS**

November 2019

	<u>FISCAL-19</u>	<u>FISCAL-20</u>	<u>CHANGE</u>	<u>BUDGET</u>
SALES	59,053,324	62,960,376	6.6%	53,694,500
YTD STOCK SALES %	56.0%	63.8%	7.8%	55.0%
YTD DIRECT SALES %	44.0%	36.2%	-7.8%	45.0%
GROSS MARGIN	9.2%	10.3%	1.1%	9.24%
STOCK MARGIN	12.6%	12.8%	0.2%	12.5%
DIRECT MARGIN	4.9%	5.9%	1.0%	5.5%
EXPENSES <i>AS A % OF SALES</i>	5.9%	6.2%	0.3%	6.7%
B-4 TAX MARGIN	3,297,126	3,714,781	12.7%	2,640,516

CURRENT ORDER BACKLOG

20,403,072

LAST YEAR BACKLOG

21,772,946

ACCOUNTS RECEIVABLE

<u>TOTAL</u>	<u>CURRENT</u>	<u>DAYS PAST DUE</u>		
		<u>1 to 30</u>	<u>31 to 60</u>	<u>over 60</u>
11,615,193	10,226,625	940,538	376,698	71,332
	88.0%	8.1%	3.2%	0.6%

YTD INVENTORY TURNS

3.96

TOTAL INVENTORY

23,588,123

WESTERN UNITED ELECTRIC SUPPLY CORPORATION - STATEMENT OF OPERATIONS
November 2019

PREVIOUS YEAR-TO-DATE	CURRENT YEAR-TO-DATE		DESCRIPTION	CURRENT MONTH			ANALYSIS
	ACTUAL	BUDGET		ACTUAL	BUDGET	VARIANCE	
REVENUE							
59,053,324	62,960,376	53,694,500	Sales	11,327,032	8,998,500	2,328,532	
53,604,277	56,497,400	48,731,280	Cost of Goods Sold	10,103,594	8,166,510	1,937,084	
5,449,047	6,462,976	4,963,220	Gross Margin	1,223,438	831,990	391,448	
101,873	99,377	95,833	Test Lab Service Revenue	17,020	19,167	(2,147)	
754,431	713,931	844,750	Patronage	103,827	100,750	3,077	
235,448	198,176	177,500	Commissions and Rebates	12,177	7,500	4,677	
141,242	166,957	123,840	Vendor Discounts	32,705	20,640	12,065	
3,600	0	5,400	Freight Income	0	0	0	
751	2,586	1,400	Interest Income	(2,684)	200	(2,884)	Cust Past Due Interest CR \$3K
78,055	0	0	Miscellaneous	0	0	0	
6,764,448	7,644,004	6,211,943	Adjusted Gross Margin	1,386,482	980,247	406,236	
EXPENSE							
<i>Employee</i>							
1,824,892	2,084,635	1,837,433	Payroll - Salaries	407,634	347,850	(59,784)	
113,556	164,123	141,853	- Taxes	34,256	26,715	(7,541)	
329,830	365,858	369,253	- Benefits	60,257	60,718	461	
26,431	42,411	12,240	Contract Labor	6,338	400	(5,938)	
3,533	1,621	2,375	Education/Training	324	475	151	
<i>Travel & Meeting</i>							
58,065	53,450	66,800	Board of Directors	1,916	8,500	6,584	
16,470	27,124	21,425	Business Meetings	2,681	4,285	1,604	
72,768	71,604	77,350	Travel - Staff	15,596	15,110	(486)	
<i>Service & Fees</i>							
16,442	34,456	26,900	Advertising	420	2,300	1,880	
9,707	29,650	20,520	Dues & Subscriptions	5,292	3,640	(1,652)	
42,622	28,005	44,250	Insurance	9,384	8,850	(534)	
27,311	12,282	14,095	Bank Interest & Fees	2,642	2,790	148	
68,457	40,650	38,700	Professional Fees	3,445	3,140	(305)	
16,022	17,152	17,750	Vehicle License/Fees	2,601	2,750	149	
<i>Facility</i>							
14,000	15,000	15,000	Building Lease	3,000	3,000	0	
8,071	8,268	6,750	Janitorial/Trash Service	2,824	1,350	(1,474)	Additional rollaway for project
21,186	18,461	18,050	Communications	3,706	3,610	(96)	
28,845	32,434	31,750	Utilities	9,467	5,080	(4,387)	Additional Water \$3K Expansion
<i>Maintenance</i>							
79,464	84,436	73,550	Trucks	24,845	12,400	(12,445)	Tires \$1.7K, Breaks multi Trks \$9K
11,166	9,753	10,650	Autos	1,046	1,550	504	
12,658	16,504	13,925	Forklifts	2,792	3,925	1,133	
19,567	11,573	15,700	Buildings	7,710	3,100	(4,610)	Trash Hoppers \$4K, Repairs \$1.6K
16,386	18,887	19,625	Software	3,964	3,925	(39)	
1,382	1,727	1,455	Hardware	345	321	(24)	
<i>Fuel & Freight</i>							
118,003	108,887	105,000	Truck Fuel	22,019	26,300	4,281	
61,249	129,215	59,675	Freight	2,099	12,875	10,776	
<i>Consumables</i>							
432	533	875	Postage	0	175	175	
2,250	3,494	4,825	Supplies - Office	722	965	243	
355	749	825	- Computer/Printer	218	165	(53)	
3,557	1,760	4,775	- Expensed Equipment	498	955	457	
29,366	17,308	24,125	- Warehouse	6,061	4,525	(1,536)	Gulf Pkg \$2K, Pallets 1K
<i>Tax</i>							
164,191	264,456	202,570	Income	41,503	25,188	(16,315)	
7,088	6,826	7,750	Property	1,365	1,550	185	
60,371	60,846	61,140	Real Estate	12,169	12,228	59	
<i>Other</i>							
3,485	(6,491)	8,600	Inventory Adjustments	(975)	1,700	2,675	
(5,008)	1,090	320	Miscellaneous Expense	(36)	50	86	
183,153	150,486	193,548	Depreciation	29,329	39,454	10,125	
3,467,322	3,929,223	3,571,427	TOTAL EXPENSES	727,460	651,915	(75,545)	
3,297,126	3,714,781	2,640,516	NET MARGIN	659,023	328,332	330,691	

WESTERN UNITED ELECTRIC SUPPLY CORPORATION

BALANCE SHEET

November 2019

	FY-19	FY-20
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	175,052	917,030
Short-term Investments	38,962	1,325,910
Accounts Receivable	13,292,985	11,615,193
Inventory - Colorado	15,155,637	19,450,537
Inventory - New Mexico	1,739,040	1,897,031
Inventory - Utah	598,697	653,203
Inventory - Other	1,995,360	1,587,352
Vendor Order Deposits	755,659	758,950
Prepaid Expense	358,804	1,307,951
<i>Total Current Assets</i>	\$ 34,110,197	\$ 39,513,156
Investments in Associated Organizations	5,397,455	\$ 5,885,652
FIXED ASSETS:		
Land	1,959,970	2,164,684
Buildings	5,562,697	5,607,098
Office Furniture	128,015	128,015
Office Equipment	597,570	624,911
Vehicles	1,590,557	1,879,001
Warehouse Equipment	587,362	661,264
<i>Total Fixed Assets</i>	\$ 10,426,171	\$ 11,064,975
Accumulated Depreciation	(3,724,964)	(4,042,044)
<i>Net Fixed Assets</i>	6,701,207	7,022,930
TOTAL ASSETS	\$ 46,208,858	\$ 52,421,739
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
CURRENT LIABILITIES:		
Bank Overdraft	0	0
Accounts Payable	5,851,132	6,467,049
Customer Order Deposits	681,161	338,759
Accrued Taxes	556,724	873,266
Notes Payable	500,000	0
Other Accrued Liabilities	578,817	804,226
<i>Total Current Liabilities</i>	\$ 8,167,833	\$ 8,483,300
MEMBERS' EQUITY:		
Capital Credits	22,111,697	26,407,692
Retained Margins	12,632,202	13,815,966
Current Year Margins	3,297,126	3,714,781
<i>Total Members' Equity</i>	\$ 38,041,025	\$ 43,938,439
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 46,208,858	\$ 52,421,739

* Inventory Management COLORADO MEMBERS	CURRENT		PREVIOUS
	Nov-19	Y-T-D	Y-T-D
* Delta-Montrose	147,420	939,412	1,293,723
Empire	87,803	303,999	421,109
* Grand Valley	46,808	537,694	408,502
* Gunnison County	17,369	230,373	414,634
* Highline	131,113	439,053	590,027
* Holy Cross	552,644	2,103,023	787,096
* Intermountain	369,516	1,162,896	520,759
* K.C. Electric	105,971	431,540	340,549
* La Plata	155,009	1,733,714	1,716,695
* Morgan County	227,431	825,562	939,020
* Mountain Parks	151,528	1,055,267	613,742
* Mountain View	1,007,384	3,766,757	3,382,767
* Poudre Valley	876,488	4,098,493	5,275,916
* Sangre De Cristo	207,875	678,065	640,943
* San Isabel	238,545	1,539,010	1,415,827
* San Luis	85,023	591,412	724,080
* San Miguel	100,280	539,687	281,090
* Southeast Colorado Power	174,378	786,833	1,218,155
Tri-State	346,398	1,443,250	2,425,024
* United Power	2,124,530	12,393,506	10,484,530
* White River	32,896	441,713	247,670
* Yampa Valley	2,071	1,529,094	1,655,150
* Y - W	138,959	427,691	387,471
TOTAL COLORADO MEMBERS	\$7,327,439	\$37,998,047	\$36,184,481
WYOMING MEMBERS			
Big Horn	4,223	8,085	5,854
Bridger Valley	8,034	92,789	147,369
* Carbon Power & Light	27,891	444,206	538,209
Garland Light & Power	0	429	9,495
High Plains	0	27,499	52,203
* High West	348,534	1,623,464	1,981,939
Lower Valley Energy	0	0	41,652
Niobrara Electric	803	15,986	115,511
Wheatland	6,024	79,574	144,440
Wyrulec	780	37,508	116,641
TOTAL WYOMING MEMBERS	\$396,290	\$2,329,540	\$3,153,314
KANSAS MEMBERS			
SunFlower Electric	0	0	0
Kansas Electric Cooperatives	0	0	0
TOTAL KANSAS MEMBERS	\$0	\$0	\$0
NEW MEXICO MEMBERS			
* Central New Mexico	16,398	163,140	247,187
Columbus Electric	0	0	0
* Continental Divide	34,257	949,304	1,496,641
Jemez Mountains Electric	26,272	216,813	352,450
Kit Carson Electric Cooperative	63,238	129,917	115,058
Mora-San Miguel Electric	4,888	39,238	26,439
* Northern Rio Arriba	18,651	101,801	44,421
Otero County Electric	229	13,772	0
Roosevelt County Electric Coop	0	0	97,053
Sierra Electric	33,779	44,595	33,373
Socorro Electric	0	7,713	62,457
Springer Electric	0	0	14,232
TOTAL NEW MEXICO MEMBERS	\$197,713	\$1,666,294	\$2,489,312

* Inventory Management NEBRASKA MEMBERS	CURRENT		PREVIOUS
	Nov-19	Y-T-D	Y-T-D
Chimney Rock	0	0	0
Midwest	12,600	20,684	84,457
Northwest	0	18,935	25,828
Panhandle	0	0	0
Roosevelt PPD	10,854	13,704	0
Wheatbelt	298	2,509	6,129
TOTAL NEBRASKA MEMBERS	\$23,752	\$55,832	\$116,414
UTAH MEMBERS			
* Dixie Power	444,645	3,919,450	5,282,484
Garkane	16	26,923	22,754
Moon Lake	79,975	278,202	55,367
South Utah Valley Electric Service District	7,646	18,823	5,479
TOTAL UTAH MEMBERS	\$532,282	\$4,243,399	\$5,366,084
ARIZONA MEMBERS			
Arizona G&T Cooperatives	0	0	0
* Duncan Valley Electric	0	49,130	62,750
Graham County Electric	2,326	2,326	18,778
* Mohave Electric Cooperative	363,628	606,953	591,070
Navajo Tribal Utility Authority	90,213	411,815	572,646
* Navopache Electric Cooperative	95,282	808,265	490,499
Wellton-Mohawk	0	1,200	0
TOTAL ARIZONA MEMBERS	\$551,449	\$1,879,688	\$1,735,743
NEVADA MEMBERS			
Lincoln County Power District No 1	1,535	64,244	0
Mount Wheeler Power	0	0	0
Overton Power District	3,643	135,596	23,441
Wells Rural Electric Coop	0	1,023	982
TOTAL NEVADA MEMBERS	\$3,643	\$136,619	\$24,422
IDAHO MEMBERS			
East End Mutual Electric	1,306	4,917	96,152
Raft River Electric Coop	1,664	54,173	4,940
Southside Electric	0	2,511	7,476
TOTAL IDAHO MEMBERS	\$2,970	\$61,602	\$108,568
MONTANA MEMBERS			
Flathead Electric Cooperative	0	14,050	0
TOTAL MONTANA MEMBERS	\$0	\$14,050	\$0
TOTAL MEMBERS	\$9,037,073	\$48,449,315	\$49,178,338
OTHER CUSTOMERS			
Non-Member Coops	0	43,271	142,095
Contractors	1,003,715	7,513,400	4,224,113
Municipals	695,730	4,058,723	4,359,885
Miscellaneous	590,515	2,895,667	1,148,893
TOTAL OTHER CUSTOMERS	\$2,289,959	\$14,511,061	\$9,874,986
TOTAL SALES	\$11,327,032	\$62,960,376	\$59,053,324
% of Sales Cooperative Members	79.78%	76.95%	83.28%
% of Sales Non-Member Coops	0.00%	0.07%	0.24%
% of Sales Contractors	8.86%	11.93%	7.15%
% of Sales Municipals	6.14%	6.45%	7.38%
% of Sales Miscellaneous	5.21%	4.60%	1.95%
	100.00%	100.00%	100.00%
% of Member Sales Inventory Management	91.21%	92.71%	89.62%



WESTERN UNITED ELECTRIC SUPPLY CORPORATION

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SALES AND FINANCIAL REPORT FOR OCTOBER 2019

October sales totaled \$11.8M, which is higher than last year's sales of \$11.5M. Total fiscal YTD sales of \$51.6M continues to be higher than last year by 5.5%. Total net margins for the month were \$723K. Year to date margins of \$3M are higher than last year at this time. The order backlog remains very strong with \$21.9M of orders pending shipment.

Our anticipated conversion from SAP to Epicor's Prophet 21 system has been postponed until December 1st. The Epicor development team was unable to complete required functionality on the WUE website and Accounts Payable process. We have been assured that the system will be ready in time for the December 1st deadline.

The entire staff from Western United Electric Supply THANK YOU, our owners for your continued support and loyalty and for investing in the company that you own. Please let us know your comments and suggestions on how we can better serve you.

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**WESTERN UNITED ELECTRIC SUPPLY
FINANCIAL REPORT
YEAR TO DATE HIGHLIGHTS**

October 2019

	<u>FISCAL-19</u>	<u>FISCAL-20</u>	<u>CHANGE</u>	<u>BUDGET</u>
SALES	48,925,754	51,633,344	5.5%	44,696,000
YTD STOCK SALES %	54.4%	62.1%	7.7%	55.0%
YTD DIRECT SALES %	45.6%	37.9%	-7.7%	45.0%
GROSS MARGIN	9.2%	10.1%	0.9%	9.24%
STOCK MARGIN	12.5%	12.7%	0.2%	12.5%
DIRECT MARGIN	5.3%	6.0%	0.7%	5.5%
EXPENSES <i>AS A % OF SALES</i>	5.8%	6.2%	0.4%	6.5%
B-4 TAX MARGIN	2,776,902	3,055,758	10.0%	2,312,184

CURRENT ORDER BACKLOG

21,905,843

LAST YEAR BACKLOG

19,457,332

ACCOUNTS RECEIVABLE

<u>TOTAL</u>	<u>CURRENT</u>	<u>DAYS PAST DUE</u>		
		<u>1 to 30</u>	<u>31 to 60</u>	<u>over 60</u>
13,790,121	11,086,048	2,410,478	100,395	193,199
	80.4%	17.5%	0.7%	1.4%

YTD INVENTORY TURNS

3.96

TOTAL INVENTORY

22,553,991

WESTERN UNITED ELECTRIC SUPPLY CORPORATION - STATEMENT OF OPERATIONS
October 2019

PREVIOUS YEAR-TO-DATE	CURRENT YEAR-TO-DATE		DESCRIPTION	CURRENT MONTH			ANALYSIS
	ACTUAL	BUDGET		ACTUAL	BUDGET	VARIANCE	
REVENUE							
48,925,754	51,633,344	44,696,000	Sales	11,872,035	12,174,000	(301,965)	
44,435,707	46,393,806	40,564,770	Cost of Goods Sold	10,615,996	11,049,835	(433,839)	
4,490,047	5,239,539	4,131,230	Gross Margin	1,256,039	1,124,165	131,874	
83,240	82,357	76,667	Test Lab Service Revenue	19,696	19,167	530	
649,773	610,104	744,000	Patronage	103,827	100,750	3,077	
211,633	185,999	170,000	Commissions and Rebates	139,299	140,000	(701)	
113,678	134,252	103,200	Vendor Discounts	40,298	28,346	11,953	
3,600	0	5,400	Freight Income	0	1,800	(1,800)	
748	5,270	1,200	Interest Income	1,099	600	499	
78,055	0	0	Miscellaneous	0	0	0	
5,630,775	6,257,521	5,231,697	Adjusted Gross Margin	1,560,259	1,414,827	145,431	
EXPENSE							
<i>Employee</i>							
1,505,306	1,677,002	1,489,584	Payroll - Salaries	407,927	444,694	36,767	
93,402	129,867	115,138	- Taxes	38,552	34,993	(3,559)	
278,206	305,600	308,535	- Benefits	62,421	68,634	6,213	
16,829	36,073	11,840	Contract Labor	18,990	2,960	(16,030)	NM Contract Driver
3,400	1,297	1,900	Education/Training	324	475	151	
<i>Travel & Meeting</i>							
54,884	51,534	58,300	Board of Directors	20,656	15,000	(5,656)	
11,749	24,443	17,140	Business Meetings	4,234	4,285	51	
59,451	56,009	62,240	Travel - Staff	14,696	16,310	1,614	
<i>Service & Fees</i>							
15,878	34,036	24,600	Advertising	13,940	4,400	(9,540)	NRECA/CREA Sponsorships \$8.1K
7,803	24,358	16,880	Dues & Subscriptions	8,159	3,640	(4,519)	NAIL Accreditation \$2.6K
33,341	18,622	35,400	Insurance	9,384	8,850	(534)	
23,943	9,639	11,305	Bank Interest & Fees	2,436	2,790	354	
54,728	37,205	35,560	Professional Fees	3,657	3,340	(317)	
10,495	14,552	15,000	Vehicle License/Fees	2,932	2,750	(182)	
<i>Facility</i>							
11,000	12,000	12,000	Building Lease	3,000	3,000	0	
5,909	5,444	5,400	Janitorial/Trash Service	2,232	1,350	(882)	Additional rollaway for project
18,334	14,756	14,440	Communications	4,143	3,610	(533)	
24,345	22,967	26,670	Utilities	4,011	6,930	2,919	
<i>Maintenance</i>							
67,716	59,591	61,150	Trucks	22,254	15,200	(7,054)	Tires \$6K
7,314	8,706	9,100	Autos	3,552	1,450	(2,102)	Maintenance & Tires \$2.5K
11,096	13,712	10,000	Forklifts	7,880	2,025	(5,855)	Repairs \$5K
18,311	3,862	12,600	Buildings	3,727	4,125	398	
12,788	14,922	15,700	Software	3,689	3,925	236	
1,211	1,381	1,134	Hardware	345	271	(74)	
<i>Fuel & Freight</i>							
92,603	86,868	78,700	Truck Fuel	20,815	25,050	4,235	
49,205	127,117	46,800	Freight	40,815	11,175	(29,640)	
<i>Consumables</i>							
420	533	700	Postage	180	175	(5)	
2,160	2,772	3,860	Supplies - Office	713	965	252	
193	531	660	- Computer/Printer	287	165	(122)	
3,285	1,262	3,820	- Expensed Equipment	1,062	955	(107)	
24,207	11,247	19,600	- Warehouse	3,400	4,525	1,125	
<i>Tax</i>							
138,319	222,952	177,382	Income	57,724	47,154	(10,570)	
4,725	5,461	6,200	Property	1,365	1,550	185	
48,821	48,677	48,912	Real Estate	12,169	12,228	59	
<i>Other</i>							
1,993	(5,516)	6,900	Inventory Adjustments	3,109	1,750	(1,359)	
(5,268)	1,125	270	Miscellaneous Expense	3,149	85	(3,064)	
145,772	121,157	154,093	Depreciation	28,817	39,388	10,571	
2,853,873	3,201,764	2,919,512	TOTAL EXPENSES	836,746	800,172	(36,573)	
2,776,902	3,055,758	2,312,184	NET MARGIN	723,513	614,655	108,858	

WESTERN UNITED ELECTRIC SUPPLY CORPORATION

BALANCE SHEET

October 2019

	FY-19	FY-20
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	1,143,030	3,200,664
Short-term Investments	44,162	316,941
Accounts Receivable	13,468,429	13,790,121
Inventory - Colorado	15,488,994	18,682,732
Inventory - New Mexico	1,535,262	1,848,020
Inventory - Utah	593,831	587,344
Inventory - Other	1,750,752	1,435,895
Vendor Order Deposits	708,934	687,445
Prepaid Expense	379,396	1,136,277
<i>Total Current Assets</i>	\$ 35,112,790	\$ 41,685,438
Investments in Associated Organizations	5,285,630	\$ 5,781,825
FIXED ASSETS:		
Land	1,959,970	2,164,684
Buildings	5,562,697	5,562,697
Office Furniture	128,015	128,015
Office Equipment	597,570	624,911
Vehicles	1,590,557	1,853,794
Warehouse Equipment	587,362	661,264
<i>Total Fixed Assets</i>	\$ 10,426,171	\$ 10,995,366
Accumulated Depreciation	(3,687,583)	(4,012,715)
<i>Net Fixed Assets</i>	6,738,589	6,982,651
TOTAL ASSETS	\$ 47,137,008	\$ 54,449,914
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
CURRENT LIABILITIES:		
Bank Overdraft	0	0
Accounts Payable	7,266,624	9,357,768
Customer Order Deposits	722,791	266,168
Accrued Taxes	554,006	828,521
Notes Payable	500,000	0
Other Accrued Liabilities	572,786	718,041
<i>Total Current Liabilities</i>	\$ 9,616,207	\$ 11,170,498
MEMBERS' EQUITY:		
Capital Credits	22,111,697	26,407,692
Retained Margins	12,632,202	13,815,966
Current Year Margins	2,776,902	3,055,758
<i>Total Members' Equity</i>	\$ 37,520,801	\$ 43,279,416
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 47,137,008	\$ 54,449,914

* Inventory Management COLORADO MEMBERS	CURRENT		PREVIOUS
	Oct-19	Y-T-D	Y-T-D
* Delta-Montrose	249,439	791,992	1,088,507
Empire	78,288	216,197	402,537
* Grand Valley	77,318	490,887	343,962
* Gunnison County	26,163	213,004	403,840
* Highline	168,479	307,940	392,480
* Holy Cross	350,000	1,550,379	719,008
* Intermountain	121,840	793,380	686,713
* K.C. Electric	65,094	325,570	284,489
* La Plata	257,043	1,578,705	1,473,742
* Morgan County	76,165	598,130	752,751
* Mountain Parks	204,895	903,739	508,278
* Mountain View	577,291	2,759,373	2,624,588
* Poudre Valley	946,049	3,222,006	4,043,898
* Sangre De Cristo	69,435	470,191	559,919
* San Isabel	265,682	1,300,465	1,295,482
* San Luis	53,028	506,389	577,638
* San Miguel	99,108	439,407	241,899
* Southeast Colorado Power	18,701	612,455	1,006,371
Tri-State	176,387	1,096,852	2,127,139
* United Power	2,484,801	10,268,976	7,748,231
* White River	71,145	408,817	236,284
* Yampa Valley	460,730	1,527,022	1,578,590
* Y - W	56,780	288,732	308,623
TOTAL COLORADO MEMBERS	\$6,953,860	\$30,670,608	\$29,404,967
WYOMING MEMBERS			
Big Horn	2,864	3,862	5,854
Bridger Valley	52,644	84,755	144,869
* Carbon Power & Light	39,273	416,316	368,909
Garland Light & Power	0	429	9,495
High Plains	9,800	27,499	47,857
* High West	453,219	1,274,930	1,516,582
Lower Valley Energy	0	0	41,652
Niobrara Electric	1,433	15,183	104,954
Wheatland	20,741	73,550	130,089
Wyrulec	18,532	36,728	107,295
TOTAL WYOMING MEMBERS	\$598,506	\$1,933,251	\$2,477,557
KANSAS MEMBERS			
SunFlower Electric	0	0	0
Kansas Electric Cooperatives	0	0	0
TOTAL KANSAS MEMBERS	\$0	\$0	\$0
NEW MEXICO MEMBERS			
* Central New Mexico	35,043	146,742	238,444
Columbus Electric	0	0	0
* Continental Divide	67,802	915,048	1,379,555
Jemez Mountains Electric	17,937	190,541	252,778
Kit Carson Electric Cooperative	13,835	66,678	103,814
Mora-San Miguel Electric	9,860	34,350	25,440
* Northern Rio Arriba	950	83,149	42,761
Otero County Electric	6,394	13,542	0
Roosevelt County Electric Coop	0	0	97,053
Sierra Electric	2,857	10,816	26,078
Socorro Electric	2,718	7,713	58,894
Springer Electric	0	0	14,232
TOTAL NEW MEXICO MEMBERS	\$157,396	\$1,468,581	\$2,239,050

* Inventory Management	CURRENT		PREVIOUS
	Oct-19	Y-T-D	Y-T-D
NEBRASKA MEMBERS			
Chimney Rock	0	0	0
Midwest	6,912	8,084	63,268
Northwest	807	18,935	25,357
Pamhandle	0	0	0
Roosevelt PPD	2,850	2,850	0
Wheatbelt	0	2,211	5,520
TOTAL NEBRASKA MEMBERS	\$10,569	\$32,080	\$94,146
UTAH MEMBERS			
* Dixie Power	746,205	3,474,805	4,896,236
Garkane	26,657	26,907	20,076
Moon Lake	10,024	198,228	50,979
South Utah Valley Electric Service District	0	11,176	3,479
TOTAL UTAH MEMBERS	\$782,886	\$3,711,117	\$4,970,770
ARIZONA MEMBERS			
Arizona G&T Cooperatives	0	0	0
* Duncan Valley Electric	764	49,130	62,501
Graham County Electric	0	0	10,153
* Mohave Electric Cooperative	105,835	243,325	422,316
Navajo Tribal Utility Authority	61,419	321,601	551,338
* Navopache Electric Cooperative	112,345	712,983	435,240
Wellton-Mohawk	0	1,200	0
TOTAL ARIZONA MEMBERS	\$280,363	\$1,328,239	\$1,481,548
NEVADA MEMBERS			
Lincoln County Power District No 1	10,335	62,709	0
Mount Wheeler Power	0	0	0
Overton Power District	5,461	131,952	23,441
Wells Rural Electric Coop	337	1,023	0
TOTAL NEVADA MEMBERS	\$5,798	\$132,975	\$23,441
IDAHO MEMBERS			
East End Mutual Electric	0	3,611	93,318
Raft River Electric Coop	33,309	52,509	3,715
Southside Electric	0	2,511	5,847
TOTAL IDAHO MEMBERS	\$33,309	\$58,632	\$102,880
MONTANA MEMBERS			
Flathead Electric Cooperative	4,149	14,050	0
TOTAL MONTANA MEMBERS	\$4,149	\$14,050	\$0
TOTAL MEMBERS	\$8,837,171	\$39,412,242	\$40,794,358
OTHER CUSTOMERS			
Non-Member Coops	193	43,271	139,947
Contractors	1,104,758	6,509,685	3,585,944
Municipals	1,026,286	3,362,993	3,563,867
Miscellaneous	903,626	2,305,153	841,639
TOTAL OTHER CUSTOMERS	\$3,034,864	\$12,221,102	\$8,131,397
TOTAL SALES	\$11,872,035	\$51,633,344	\$48,925,754
% of Sales Cooperative Members	74.44%	76.33%	83.38%
% of Sales Non-Member Coops	0.00%	0.08%	0.29%
% of Sales Contractors	9.31%	12.61%	7.33%
% of Sales Municipals	8.64%	6.51%	7.28%
% of Sales Miscellaneous	7.61%	4.46%	1.72%
	100.00%	100.00%	100.00%
% of Member Sales Inventory Management	93.48%	93.05%	88.83%



This month's highlights

- Board approves community solar recommendation from Contract Committee
- 2019 margin forecast update
- Member engagement strategic goal update
- Third quarter 10-Q filed
- Board approves resolution recognizing employee safety accomplishments
- September operations and financial results

From the Chairman

In an important first recommendation from the Contract Committee, the board approved the committee's recommendation for expanding community solar projects from the membership in addition to the 5% provisions in the contract. The committee continues its work to advance partial requirements contract proposals, and this month received presentations from United Power on their proposal and from Tri-State staff on the committee-requested proposal.

As we do each year, the board held fiduciary duty training on how to reconcile the dual fiduciary duties to our local distribution systems and to Tri-State. As directors, understanding our fiduciary duty to the association, given the complexities of also having a duty to our distribution systems, is critical to our cooperative board governance role. I appreciate the board's engagement and discussion. Please reach out to me, Tri-State counsel or your system's counsel with any questions or if ever you have a concern.

Individuals contributing to ACRE help support candidates for office on both sides of the aisle who support electric cooperative interests. If you currently participate in ACRE, thank you for your involvement. I encourage all of our directors to consider support for the ACRE program.

As always, please contact me regarding these or any other matters at 719-651-2882 or rick.gordon@tristategt.org — Rick

From the CEO

This month SVP Member Relations Jennifer Goss provided the board an update on the board's Member Engagement Strategic Goal. Led by Jennifer and her team, Tri-State has made great strides to support our members, beginning most importantly with how we listen to our members and how our Member Relations function serves as the advocates for the membership across our organization. Through one-on-one engagement between our executive team and the members, our committees and councils, and our orientation programs, we keep close to heart who we work for and why.

I appreciate KC Electric Association's David Churchwell attending our board meeting to provide an update on the Member CEO Committee meeting last month. Northwest Rural Public Power District's Chance Brisco is the incoming chair. I value the work the committee does to advance Tri-State.

Tri-State is going through a significant transition, and while there are some uncertainties, we are on a positive path forward to be increasingly flexible and clean, and the board continued its discussion on the Responsible Energy Plan this month. While we maintain our strong financial position and investment-grade credit ratings, S&P did lower our long-term ratings from A to A-. We continue to address the issues S&P raised.

Finally, it is meaningful to our executive team and our staff that the board recognized our safety performance. We continue to build a strong culture of safety in all that we do to serve the membership.

Please contact me any time at 303-254-3535 or dhighley@tristategt.org — Duane

By the numbers

September 2019 operations performance

- Coal fleet generation availability was 81% and accounted for 50% of total power supply. Gas and oil generation was under budget and 5% of power supply.
- The average capacity factor for utility-scale wind and solar projects was 43%. Renewable generation (452 MW wind and solar) at Tri-State peak was 188 MW (42% of potential output). All renewable generation was 32% of member sales and 26% of total power supply.
- Other purchased power (non-renewable) was 18.5% of total power supply.
- Member energy sales volumes were 2.4% over budget. Non-member energy sales volumes were 13.5% under budget.
- View the presentation on the director's BoardBooks app and the [Member Information Center](#).

September 2019 financial performance

- Member Sales are \$3.2 M above budget primarily due to higher member energy needs during September compared to August. Energy demand was higher overall as temperatures were above normal for the month.
- Purchased power was \$3.0 M higher than budget for the month and was \$7.1 M lower than budget for the year. The overall decrease for the year is primarily attributable to lower-than-budgeted firm and renewable purchases, offset by higher-than-budgeted other purchased power costs. In addition, higher-than-budgeted net generation reduced the need to purchase power on the open market.
- Production costs were \$3.0 M lower than budget, and General and Administrative expenses were \$2.9 M higher than budget.
- The financial report can be viewed on the director's BoardBooks app and [Member Information Center](#).

	September 2019		Year to date		Variance
	Actual	Budget	Actual	Budget	
Sales					
Members	107,278	104,038	942,175	961,041	(\$18,866)
Non-members	6,897	7,782	71,843	68,547	3,296
Other Operating Revenue	4,205	3,834	39,540	39,644	(104)
Total Operating Revenue	\$118,380	\$115,654	\$1,053,558	\$1,069,232	(\$15,674)
Purchased Power	29,361	26,402	252,948	260,093	(7,145)
Production & Fuel	28,226	37,497	352,728	343,962	8,766
Depreciation & Amortization	4,275	14,179	116,880	127,475	(10,595)
Coal Mining	(85)	879	7,824	6,751	1,073
Transmission	14,101	15,040	122,329	128,339	(6,010)
G & A	6,038	3,132	35,887	31,441	4,446
Other	1,489	1,269	12,155	11,931	224
Total Operating Expenses	\$93,415	\$98,398	\$900,751	\$909,992	(\$9,241)
Operating Margins	24,965	\$17,256	\$152,807	\$159,240	(\$6,433)
Other Income	14,536	1,647	24,902	10,625	14,277
Interest Expense	12,601	12,985	113,954	116,779	(2,825)
Income Taxes	(77)	(77)	(231)	(231)	-
Net (Income) Loss Attributable to NCI	(371)	(372)	(3,239)	(3,244)	5
Net Margins	\$26,606	\$5,623	\$60,748	\$50,072	\$10,674
	Member and non-member sales				
Energy (GWh)	1,336	1,304			2.4%
TPP/MCP Demand (MW/Mo.)	2,740	2,615			4.8%
Non-member energy (GWh)	142.8	165			-13.5%

Board Meeting Update

Tri-State board adopts new Community Solar Program

The Tri-State board approved the Contract Committee's recommendation for each member system to have the right to install Community Solar Generation (CSG) up to established limits, and such CSG will not count towards the 5% provisions in their existing contract. This is the next of many steps Tri-State is taking to transition to a cleaner, more flexible and affordable energy supplier to our members.

- This is the first recommendation from the Contract Committee, which has the goal to provide member system flexibility in an equitable manner that provides clarity, simplicity, and preserves Tri-State's financial strength.
- The committee is working on developing partial requirements with the goal of having a recommendation for the board to vote on by April 2020, but the CSG proposal will provide immediate flexibility for members choosing to participate.
- The program would allow members to develop member system-owned or controlled community solar projects and is intended to be marketed under subscription arrangements to retail customers. Battery storage would not be included as part of the program.
- The board asked staff to bring a policy recommendation on how to implement and administer the program to the December board meeting.

View Tri-State's [press release](#). The presentation can be viewed on the director's BoardBooks app and [Member Information Center](#).

Margin forecast update

The October 2019 margin forecast was presented to the board. Budgeted margins for 2019 are approximately \$56.5 M. The current forecast for year-end margins is approximately \$51.0 M.

View the presentation on the director's BoardBooks app and the [Member Information Center](#).

10-Q Filing

Tri-State filed its 3rd quarter Form 10-Q, dated Nov. 13, 2019, which is available on the [SEC filings](#) area of Tri-State's website.

Board education session on fiduciary duty

On a regular basis, staff holds educational sessions on topics of importance to the board. This month, Rob Youle, from the law firm Sherman and Howard, discussed the fiduciary duties of a cooperative board member and covered the following topics:

- The three duties of all cooperative directors, including: loyalty, due care, and not to usurp an opportunity of the cooperative;

- Challenges faced by directors serving on the boards of both the distribution cooperative and Tri-State; and
- The appropriate course of action when a director does not believe they can meet their fiduciary duties to both the distribution cooperative and Tri-State, which may include seeking legal counsel.

View the presentation on the director's BoardBooks app and the [Member Information Center](#).

Member Engagement Goal update

Jennifer Goss, SVP Member Relations, provided an update on the Tri-State board's Member Engagement Goal, which is a renewed focus and commitment to build trust, engage with our members in an intentional manner, and facilitate communications to foster good relations within the association.

- Goss reported on the numerous outreach efforts by executive staff and the Member Relations team, including attending annual meetings, member orientations, and executive team engagement.
- She also discussed efforts to align with members, share information, and collaborate through member committees, advisory councils and educational programs.

View the presentation on the director's BoardBooks app and the [Member Information Center](#).

Contract Committee update provided to the board

The Contract Committee has convened six times since June and continues to work toward its goal of developing recommendations to the Tri-State board to provide member system flexibility, including the self-supply of a partial amount of load. They are also developing a recommendation to establish additional classes of members, with rights and privileges, for existing and new members.

- The committee considered several member proposals and continues to work on a partial requirements proposal that is simple, clear, equitable, and balances the interests of all member systems in accomplishing the following goals:
 - Provide more flexibility and autonomy,
 - Protect members from cost shifts,
 - Preserve Tri-State's financial viability,
 - Minimize upward rate pressure, and
 - Continue the association's ability to conduct long-range planning and development.
- At their last meeting in October, in addition to passing the recommendation on the CSG for the Tri-State board to consider, the committee discussed a strawman proposal developed by staff (at the request of the committee), which included potential membership classes, a make whole mechanism, supply options and rate structures.

- The board has also asked the committee to consider recommendations on contract valuation methodologies and potential make whole payments.
- The committee is on track to make a recommendation to the Tri-State board to vote on by April 2020.

The Contract Committee met on Nov. 13-14. The committee received presentations from United Power on its partial requirements strawman proposal and from Tri-State on the committee-requested strawman proposal. The committee broke out into strategic planning groups to further discuss the proposals and participated in polling on contract and proposal issues.

View the presentation on the director's BoardBooks app and the [Member Information Center](#)

Board passes resolution recognizing employee safety accomplishments

The board of directors passed a resolution recognizing the Tri-State employees for their safety accomplishments, which were detailed at the October board meeting. The resolution reads:

WHEREAS, Tri-State Generation and Transmission Association, Inc. is the cooperative power supplier to 43 Member Systems that collectively serve more than one million people, farms, ranches and businesses across nearly 200,000 square miles in Colorado, Nebraska, New Mexico, and Wyoming; and

WHEREAS, responsibly generated and delivered electricity is the lifeblood of the rural West; and

WHEREAS, Member Systems rely on Tri-State's employees to steward their generation and transmission assets and deliver a reliable and affordable supply of electricity; and

WHEREAS, safety performance by the employees of Tri-State has been recognized by third parties and numerous safety awards have been received; and

WHEREAS, through the sustained efforts and dedication by staff, costs are managed, needs and expectations of the membership are met, and stable wholesale rates are forecasted.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Tri-State Generation and Transmission Association, Inc., that the employees of Tri-State be commended and congratulated for their continuing commitment to and proactive focus on safety.

View the resolution on the director's BoardBooks app and the [Member Information Center](#).

Meetings and Events

Tri-State board and committee meetings

- Tri-State Board Meeting starts at 12:30 p.m. on Dec. 3 and ends at noon on Dec. 4

- Tri-State's Board Strategic Planning starts at 8 a.m. on Tues., Jan. 7 and ends at noon on Wed., Jan. 8. Tri-State's Board Meeting starts at 12:30 p.m. on Jan. 8

Co-op meetings

- CREA Manager's Meeting is December 4-5, Denver, Colo.
- NREA Annual Meeting is December 5-6, Kearney, Neb.

Other meetings

- Mid-West Electric Consumers Annual Meeting is December 9-12, Denver, Colo.