

Y-W ELECTRIC ASSOCIATION, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS
October 18, 2022

A regular meeting of the Board of Directors of Y-W Electric Association, Inc. was held at the headquarters of the Association, located at 26862 US Highway 34 in Akron, Colorado, at 10:00 a.m. on October 18, 2022.

ROLL CALL

President Joneal Young called the meeting to order. Directors present in person were:

Brooke Price	Joneal Young
Robert Bledsoe	Craig Lambley
Roger Schenk	Stuart Travis
Freeman Morris	Larry Winger
Aaron Gebauer	

Manager Trent Loutensock and Attorney Levi Williamson were also present. Attorney Williamson recorded the minutes of the meeting. Robert Bledsoe entered the meeting at 11:30 a.m. Craig Lambley entered the meeting at 1:00 p.m.

AGENDA APPROVED

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

POLICY 2-13 SMOKING POLICY

General Manager Loutensock presented revised Policy 2-13. It was properly moved, seconded, and carried to approve Policy 2-13 as presented.

POLICY 2-16 EMPLOYEE RETIREMENT GIFT

General Manager Loutensock presented revised Policy 2-16. It was properly moved, seconded, and carried to approve Policy 2-16 as presented.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Minutes of the September 20, 2022, Regular Meeting of the Board of Directors.
- b. List of persons to be accepted into membership in Y-W Electric Association, Inc.
- c. Policy 2-15 Drug and Alcohol Policy

d. Capital credit refunds for estates of deceased members

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

2023 CAPITAL BUDGET

Staff members Andy Molt, Brandee Bullard, Rod Dunker, Andy Hase, and Steven Marshall presented the proposed capital budget for 2023.

It was properly moved, seconded, and carried to approve the 2023 capital budget as presented in the amount of \$715,252.81.

EMPLOYEE WAGES

The Board discussed 2023 employee wages.

Robert Bledsoe entered the meeting at 11:30 a.m.

SEPTEMBER BILLS

General Manager Loutensock and the board reviewed the list of bills paid by the Association in the month of September 2022.

FINANCIAL REPORT

Brandee Bullard entered the meeting.

Brandee Bullard and General Manager Loutensock presented the financials. They presented the summary of investments through September, the August Statement of Operations, Loan Rate Comparison as of October 7, 2022, August Form 7, August Operating Forecast, Two-Year Expense Report, Five-Year Equity Report, and Consumer Sales and Revenue Report. Bullard presented the September Capitalized Costs Report and the August General Ledger.

Loutensock presented the October 7, 2022, Tri-State bill, graphs of demand, energy, and cost per kWh through September, a summary of employee overtime hours through September, and the report of fuel consumption through September.

Loutensock reported that the Tri-State Rate Committee is considering a rate design that would change the Demand/Energy split from 45/55 to 49/51. Loutensock estimates that the change would result in a 1% decrease in power costs to Y-W based on 2021 energy usage. Tri-State estimates that the rate would result in a 1% increase to Y-W.

President Young recessed the meeting at 12:04 p.m. and reconvened the meeting at 1:02 p.m.

Craig Lambley entered the meeting.

EMPLOYEE WAGE COMMITTEE

General Manager Loutensock presented information regarding Colorado electric co-op wages. The employee wage committee, employees Samantha Gebauer, Elisha Harris, Jaden Dreher, and Ry Kautz, entered the meeting. The employees thanked the Board for approving the move to a four-day work week during daylight savings time. The employees presented information regarding increased costs, including health insurance and cost of living. They asked the Board for a wage increase to offset these costs. The employees left the meeting.

The Board discussed employee wages. It was properly moved, seconded, and carried to increase the lineman's wage by 12% in 2023. Larry Winger voted no.

It was properly moved, seconded, and carried to increase the Bookkeeper's wage by 9% in 2023.

General Manager Loutensock requested authority to give raises to staff members totaling \$47,250. It was properly moved, seconded, and carried to authorize Loutensock to distribute raises to staff totaling \$47,250.

The employee wage committee re-entered the meeting. President Young informed the employees of the wage increases. The employees thanked the Board. The employees left the meeting.

OPERATIONS & SAFETY REPORT

Rod Dunker presented the third quarter Operations & Safety Report. There were no lost-time accidents or consumer incidents in the third quarter. Dunker reported on new services and safety training. He presented the outage report. Dunker presented an update on Y-W's progress on the 2019-2022 construction work plan. He reported on the results of the 2022 pole inspections. Dunker presented the employee driver policy report. No employees received citations in the third quarter. Dunker left the meeting.

IT REPORT

Steven Marshall presented the third quarter IT Report. The outdoor security cameras are on backorder. Marshall reported on the status of Y-W's new storage device. He reported on his attendance at the NISC member information conference.

MEMBER SERVICES

Andy Molt presented the third quarter Member Services Report. He reported on energy audits, rebates, scholarships, energy camp, and renewable energy sales. Molt recommended holding the 2023 Y-W Annual Meeting on June 8, 2023 at the Y-W headquarters building.

It was properly moved, seconded, and carried to hold the 2023 Y-W Annual Meeting on June 8, 2023 at 6:30 p.m. at the Y-W headquarters building.

MANAGER REPORT

Manager Loutensock presented his written report. He presented the delinquent accounts and thank you notes. Loutensock provided an update on the investigation into substation copper theft. He updated the Board on a potential new load in Nebraska. He presented the CFC newsletter. Loutensock reported that PSCO plans to propose resource adequacy legislation in Colorado during the next legislative session. The legislation would require resource adequacy planning from power providers that are not currently required to do so. The Board supports the concept and asked Loutensock to monitor and report to the Board.

It was properly moved, seconded, and carried to go into executive session to discuss confidential information regarding fire claims, with all directors, Loutensock and Attorney Williamson present. It was properly moved, seconded, and carried to exit executive session.

GENERATOR REPORTS

Manager Loutensock presented the Wray Wind Generation Report, EV Charging Station Financial Summary, and Net Metering Analysis through September 2022.

NRECA COLORADO ANNUAL MEETING

It was properly moved, seconded, and carried to appoint Brooke Price as Y-W's delegate and Aaron Gebauer the alternate to the NRECA Colorado Annual Meeting.

2023 RATE DISCUSSION

General Manager Loutensock presented a summary of two options for 2023 rates from Y-W's rate consultant, Guernsey. It was properly moved, seconded, and carried to approve rate change alternate one for all rate classes.

DONATION REQUESTS

General Manager Loutensock presented a summary of Y-W's past donations to area FFA chapters. It was properly moved, seconded, and carried to donate \$250.00 to each FFA chapter in Y-W's service territory.

Loutensock presented donation requests from Tyson Schneider and Mountain States Legal Foundation. The Board did not take action.

WESTERN UNITED

Director Bledsoe reported that Western United now has 78 co-op members after adding a new member. Western United is now purchasing transformers from Howard and ERMCO.

NRECA REGION VII

Director Travis and General Manager Loutensock reported on their attendance at the NRECA Region VII meeting.

TRI-STATE

Director Schenk reported on his attendance at the regular meeting of the Tri-State Board of Directors. Tri-State projects that it will need \$70-100M of deferred revenue to meet financial requirements in 2022. Tri-State had \$143.2M in deferred revenue at the beginning of 2022. The Tri-State Board approved a lower DSR requirement, which will reduce the amount of deferred revenue needed to meet its financial requirements.

Director Schenk reported on his attendance at the Tri-State Rate Committee meeting. The committee members were surveyed and 51% chose the “peaker” rate method. The majority of the committee also prefers a formula-based rate over a stated-rate. The charge under the formula rate would change once per year, and there would not be a fuel cost adjustment charge. Schenk reported on the FERC ALJ’s decision regarding Tri-State’s CTP.

UPCOMING MEETINGS

The Board discussed attendance at upcoming meetings.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 4:30 p.m.

SECRETARY

PRESIDENT