

Y-W ELECTRIC ASSOCIATION, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS
April 18, 2023

A regular meeting of the Board of Directors of Y-W Electric Association, Inc. was held at the headquarters of the Association, located at 26862 US Highway 34 in Akron, Colorado, at 1:00 p.m. on April 18, 2023.

ROLL CALL

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

Joneal Young	Freeman Morris
Roger Schenk	Stuart Travis
Larry Winger	Robert Bledsoe
Aaron Gebauer	

Directors present via teleconference were:

Brooke Price

Manager Trent Loutensock and Attorney Bryson Fredregill were also present in person. Attorney Fredregill recorded the minutes of the meeting.

AGENDA APPROVED

The agenda was revised with the removal of Policy 3-16 from the Consent Agenda for separate consideration. The agenda was further revised to remove two estate refund applications for separate consideration. The agenda was adopted as revised.

PUBLIC COMMENT

There was no public comment.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Minutes of the March 21, 2023, Regular Meeting of the Board of Directors.
- b. List of persons to be accepted into membership in Y-W Electric Association, Inc.
- c. Policy 4-1 Use of Banking Facilities
- d. Policy 4-2 Policy of Reserves
- e. Capital credit refunds for estates of deceased members

Policy 3-16 Identity Theft Prevention Policy

Manager Loutensock presented a revised Policy 3-16 Identity Theft Prevention Policy. It was properly moved, seconded, and carried to adopt Policy 3-16 as presented.

ESTATE REFUNDS

Attorney Fredregill presented two estate refunds requiring additional documentation. It was properly moved, seconded, and carried to approve the estate refunds contingent on provision of additional documentation.

CONSENT AGENDA CONTINUED

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

AUDIT REPORT

Kevin Kelso and George Lynch entered the meeting via videoconference.

Brandee Bullard entered the meeting.

Kevin Kelso and George Lynch presented the audit report. Kelso discussed the audit process and the role of the auditor. He also discussed several industry trends that may be apparent in the audited financials. Kelso reported that the Y-WEA audit resulted in an unmodified opinion. As part of his presentation, Kelso reviewed many aspects of the audit report and audited financials, including without limitation uncorrected statements, deferred revenue plan, and various equity ratios. Responding to board questions, Kelso stated that Y-WEA's internal controls have shown significant improvement. It was properly moved, seconded, and carried to adopt the audit report as presented.

Kelso and Lynch exited the meeting.

MARCH BILLS

General Manager Loutensock and the Board reviewed the list of bills paid by the Association in the month of March 2023.

FINANCIAL REPORT

Brandee Bullard and General Manager Loutensock presented the financials. They presented the Investments through March 2023, February 2023 Statement of Operations, Loan Rate Comparison as of April 4, 2023, February Form 7, February Operating Forecast, Two-Year Expense Report, Five-Year Equity Report, and

Consumer Sales and Revenue Report. Bullard presented the March Capitalized Costs Report and the February General Ledger supporting documents.

Loutensock presented the April 6, 2023, Tri-State Invoice, and graphs of demand, energy, and cost per kWh through March 2023.

Bullard exited the meeting.

MANAGER REPORT

It was properly moved, seconded, and carried to go into executive session to discuss confidential member information, with the following persons present: all Directors present at the meeting, Manager Loutensock, and Attorney Fredregill. It was properly moved, seconded, and carried to exit executive session.

Manager Loutensock presented his written report. He presented “thank you” notes. The board discussed a potential project for carbon sequestration. Loutensock presented the 2023 Pinnacol general dividend. He also reported on Rod Dunker’s upcoming retirement, director candidate petitions received, the Plains Telephone Annual Meeting notice, and a request that Y-WEA join other eastern Colorado co-ops in supporting Tri-State at FERC. As to the last item listed, the board requested Manager Loutensock gather more information. Loutensock also presented the CFC Newsletter.

WESTERN UNITED REPORT

Bledsoe reported that the next meeting will be held April 27, 2023. He reported that everything is going well.

Bledsoe exited the meeting.

MEMBER SERVICES REPORT

Andy Molt entered the meeting.

Member Services Manager Andy Molt presented his written quarterly Member Services Report. He reported on energy audits, rebates, grants, an EV charging station project, scholarships, and renewable energy program participation. Molt also presented a proposed plan for door prizes at the Y-WEA Annual Meeting. The prizes include a grand prize of \$5,000.00 drawn from the entire membership, one \$500.00 prize, one \$250.00 prize, ten \$50.00 prizes, and ten \$25.00 prizes. Members must be present to claim the grand prize for which there may be up to two drawings. It was properly moved, seconded, and carried to approve the door prize plan for the 2023 Annual Meeting of Y-W Electric Association, Inc. as presented.

Molt exited the meeting.

IT REPORT

Manager Loutensock presented the IT Report as prepared by Steven Marshall. Loutensock discussed Duo Multi-Factor Authentication.

OPERATIONS REPORT

Andy Hase entered the meeting.

Line Superintendent Andy Hase presented the quarterly Operations Report. Hase reported that there were no lost time accidents in the first quarter of 2023. He also reported on consumer incidents, safety training, new services, retired services, and outages. Hase provided a fleet update and status update on the Wray building maintenance. The board discussed getting bids for a replacement building in Wray.

Hase exited the meeting.

GENERATOR REPORT

Justin Wert entered the meeting.

Manager Loutensock and Justin Wert presented the Generator Report. They discussed the Wray Wind Generation Report, EV Charging Station Financial Summary, and Net Metering Analysis through March 2023.

Gebauer exited the meeting during the report.

Wert exited the meeting after the report.

CAPITAL CREDIT ALLOCATION

Manager Loutensock presented a proposed allocation of 2022 Y-WEA margins in the amount of approximately \$3,200,554.00. He noted that the final allocation may vary by a few dollars of rounding when allocated to the individual accounts with the difference carried over to the next year's allocation. It was properly moved, seconded, and carried, to adopt the allocation as presented.

ANNUAL MEETING NOTICE

Manager Loutensock presented the proposed 2023 Notice of Annual Meeting. It was properly moved, seconded, and carried to adopt the notice as presented.

POLICY 3-12 UNCLAIMED OR UN-REFUNDABLE CONSUMER ACCOUNTS

Manager Loutensock presented a revised Policy 3-12 Unclaimed or Un-refundable Consumer Accounts. It was properly moved, seconded, and carried to approve the policy as presented.

DONATION REQUESTS

Manager Loutensock presented donation requests from two entities. The Board discussed the requests and declined to donate.

CREA

Stuart Travis reported on his attendance at the regular meeting of the CREA Board of Directors. He reported on discussions regarding Colorado Senate Bill 23-138.

TRI-STATE

Roger Schenk reported on his attendance at the Regular Meeting of the Tri-State Board of Directors and Tri-State Annual Meeting. Schenk presented the Tri-State financials that had been presented to the Tri-State Board of Directors. Sales for the previous month were approximately \$5 million over budget, leaving Tri-State margins with an approximate year-to-date loss of \$18.5 million. Renewable energy production was good for the month. Schenk also discussed transmission expansion and forward natural gas purchases.

MIDWEST ELECTRIC CONSUMERS ASSOCIATION

Stuart Travis reported on his attendance at the regular meeting of the Midwest Electric Consumer's Association Board of Directors. The Midwest board discussed the drought in the Colorado River Basin and the Army Corps of Engineers assessment of the Missouri River Basin.

WORKERS' COMPENSATION COALITION MEMBERSHIP

Loutensock presented the Workers' Compensation Coalition Membership Renewal. It was properly moved, seconded, and carried to renew Y-WEA's membership in the Workers' Compensation Coalition as presented.

MEETING ATTENDANCE

The Board discussed attendance at upcoming meetings.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 5:49 p.m.

SECRETARY

PRESIDENT