

Y-W ELECTRIC ASSOCIATION, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS
October 19, 2021

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 19, 2021.

ROLL CALL

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

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

Manager Trent Loutensock and Attorney Levi Williamson were also present. Attorney Williamson recorded the minutes of the meeting. Director Bledsoe entered the meeting at approximately 10:45 a.m. Director Aaron Gebauer was absent.

AGENDA APPROVED

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

PUBLIC COMMENT

Y-W member Rex Pieper addressed the board regarding the shortage of electrical inspectors in Y-W's territory. He is installing a net-metering facility and is finding it difficult to get an inspector to inspect his facility. Pieper left the meeting.

NEW EMPLOYEES

New employees Casey Krening, Dylan Paulsen, Colby Purkeypile, and Jayce Bauer introduced themselves to the board.

Robert Bledsoe entered the meeting.

The employees left the meeting.

CONSENT AGENDA

The Consent Agenda contained the following items:

- a. Minutes of the September 21, 2021, Regular Meeting of the Board of Directors.
- b. List of persons to be accepted into membership in Y-W Electric Association, Inc.
- c. Policy 4-5: Sale of Used Equipment
- d. Policy 4-6: Reimbursement for Damages to Cooperative Property
- e. Policy 4-7: Purchase of Materials Supplies & Equipment
- f. Capital credit refunds for estates of deceased members

It was properly moved, seconded, and carried to approve the minutes of the September 21, 2021 meeting as presented.

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

CAPITAL BUDGET

Employees Steven Marshall, Marjie Hottinger, Andy Molt, Rod Dunker, James Ziebarth, and Brandee Bullard entered the meeting. Manager Loutensock and the employees presented the proposed capital budget of \$550,821.00 for 2022. It was properly moved, seconded, and carried to approve a capital budget of \$500,000.00 for 2022.

President Schenk recessed the meeting at noon for lunch and reconvened the meeting at 1:00 p.m. Craig Lambley did not return at 1:00 and returned later in the meeting during executive session.

EMPLOYEE WAGE COMMITTEE

Employees Samantha Gebauer and Elisha Harris addressed the board on behalf of the office employees. They asked the board for a cost-of-living adjustment to their wage. They also asked the board to consider a four-day, 10-hour work week, or a 9/80 schedule.

Gebauer and Harris left the meeting.

Employees Gannon Leifheit, James Lucero, Josh Ballah, and Tony McCaffrey addressed the board on behalf of the outside employees. They presented information regarding employee turnover at Y-W and wages at other electric co-ops. The outside employees asked that the board increase their wage to stay competitive with other co-ops and for a flexible work schedule.

It was properly moved, seconded, and carried to go into executive session for confidential discussion regarding personnel and wage and benefits, with the following in attendance: Directors Robert Bledsoe, Freeman Morris, Brooke Price, Roger Schenk, Stuart Travis, Larry Winger, Joneal Young, Manager Loutensock, HR Manager Marjie Hottinger, and Attorney Williamson. Craig Lambley entered the meeting during executive session. It was properly moved, seconded, and carried to exit executive session.

It was properly moved, seconded, and carried to increase the Bookkeeper wage by 3.5% and the Lineman wage by 7.0%, effective January 1, 2022.

It was properly moved, seconded, and carried to change Y-W's work week to four ten-hour days, Monday-Thursday, from the beginning of daylight savings to the end of daylight savings. Directors Winger, Young, and Lambley voted no.

The employees came back into the meeting and President Schenk told them the decisions made by the board. The employees left the meeting.

Manager Loutensock requested authority to give \$24,000.00 in annual salary increases to six staff-level employees. The increases would be a 3.5% increase on average. It was properly moved, seconded, and carried to authorize Loutensock to distribute \$24,000.00 worth of annual raises to the six staff-level employees.

SEPTEMBER BILLS

Manager Loutensock presented and the board reviewed the list of bills paid by the Association in the month of September 2021.

FINANCIAL REPORT

Brandee Bullard presented the September summary of investments, August Statement of Operations, Loan Rate Comparison as of October 1, and August Form 7. Manager Loutensock presented the August Operating Forecast. Bullard presented a graph of monthly expenses through September. She also presented the equity report, Consumer Sales and Revenue Data Report, and General Ledger through August 2021.

Loutensock presented the October 14, 2021, Tri-State bill. He presented graphs of demand, energy, and cost per kWh through September 2021.

Brandee Bullard reported on the Y-W open house.

Brandee Bullard exited the meeting.

OPERATIONS & SAFETY REPORT

Rod Dunker entered the meeting.

Rod Dunker presented the quarterly Operations & Safety Report. He reported that there was one lost time accident during the third quarter of 2021. Dunker also reported on consumer incidents, new services, outages, and safety training. No Y-W CDL licensed employees received driving citations in the third quarter.

Dunker left the meeting.

IT REPORT

Steven Marshall entered the meeting.

Marshall presented the quarterly IT Report. He reported on his attendance at a cyber security summit. He reported on Y-W's phone outage, the status of the firewall cleanup, and the status of workstation replacements.

Marshall left the meeting.

MEMBER SERVICES REPORT

Andy Molt entered the meeting.

Andy Molt presented the quarterly Member Services Report. He provided status updates on energy usage audits and rebates. He reported that the EV charging station is operational. He also provided updates on the scholarship program and member participation in renewable energy programs.

It was properly moved, seconded, and carried to go into executive session for privileged attorney-client advice from Attorney Williamson regarding recent legislation, with the following in attendance: All directors present at the meeting, employees Andy Molt, Brandee Bullard, Steven Marshall, Manager Loutensock and Attorney Williamson. It was properly moved, seconded, and carried to exit executive session.

Molt, Bullard, and Marshall exited the meeting.

MANAGER REPORT

Manager Loutensock presented his written report. He presented the delinquent accounts, thank you notes, and Western United patronage report.

Craig Lambley left the meeting at 4:28 p.m.

Loutensock reported on the status of his 2021 goals. Loutensock reported on the reasons to begin billing irrigation accounts every month and to divide the fixed charge over 12 months. The board directed Loutensock to bring a proposed tariff change to the next board meeting.

Loutensock reported that to present more recent financial reports at the board meeting, the board meeting would need to be moved later in the month. The consensus of the board is to retain the current regular board meeting date.

Loutensock presented the NRECA Board Meeting Report and CFC newsletter.

GENERATOR REPORTS

Manager Loutensock presented the September Wray Wind Report.

Justin Wert presented analysis of irrigation net-metering at Y-W.

DEFERRED REVENUE

Brandee Bullard presented options for deferral of 2021 revenue. It was properly moved, seconded, and carried to approve deferral of \$2 million of 2021 revenue, with \$400,000 to be recognized each of the next five years.

PROPERTY TRANSFER

Attorney Williamson presented a resolution authorizing transfer of real property to Tri-State for the Paper Moon substation. It was properly moved, seconded, and carried to approve the resolution as presented.

MASTER IRRIGATION SPONSORSHIP

Manager Loutensock asked if the board would like to sponsor an irrigation audit for a Y-W member through the Master Irrigator program. The consensus of the board was to sponsor an irrigation audit.

Stuart Travis left the meeting at 5:45 p.m.

DIRECTOR EMPLOYEE BANQUET

Marjie Hottinger presented bids for the banquet. It was properly moved, seconded, and carried to approve the bid from the Akron Elks and to hold the banquet on November 19, 2021.

Hottinger requested authority to award employees \$50 for each five years of employment at Y-W. It was properly moved, seconded, and carried to approve the request.

401(k) RESOLUTION

Marjie Hottinger presented a resolution amending Y-W's 401(k) plan document. It was properly moved, seconded, and carried to approve the resolution as presented.

DONATION REQUEST

Manager Loutensock presented a donation request from Community Blessing for Hope. The board did not act.

Brooke Price left the meeting at 5:50 p.m.

TRI-STATE

Roger Schenk reported on his attendance at the regular meeting of the Tri-State Board of Directors. He reported on Tri-State's financials. Total revenue is \$29 million better than budget. Total expenses are \$26.5 million more than budget. Net margins are \$21 million, including \$40 million of deferred revenue recognized in 2021.

Schenk reported on his attendance at the Energy Innovations Summit.

UPCOMING MEETINGS

The Directors discussed attendance at upcoming meetings.

EXECUTIVE SESSION

It was properly moved, seconded, and carried to go into executive session to discuss confidential member information with the following in attendance: Directors Robert Bledsoe, Freeman Morris, Roger Schenk, Larry Winger, and Joneal Young, Manager Loutensock and Attorney Williamson. It was properly moved, seconded, and carried to exit executive session.

ADJOURNMENT

There being no further business to come before the meeting, the meeting was adjourned at 6:13 p.m.



SECRETARY

PRESIDENT