

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
April 12, 2024

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, April 12, 2024, with the following directors present: David Sitton, Kent Lindsay, Jerry Fetterman, Bob Barry, Larry Archibeque, Norman Butler, and Corey Robinson. Others present: General Manager Josh Dellinger, Attorney Tyler Denning, Executive Secretary / HR Representative Shawna McLaughlin, Financial Manager Ginny Johnson, Operation and Engineering Manager Ken Tarr, Business Service Manager Chris Snyder, and Member Engagement Manager Andy Carter.

Others present by Web Conference: Members Greg South and Emiko South, Auditor Phil Tibbets with Decoria & Company, PC.

Others present in person: Member Bill Mollenkopf

President Sitton called the meeting to order at 8:30 a.m.

Approve Consent Agenda:

Action Item: Archibeque moved to approve the consent agenda as presented, seconded by Lindsay. Motion carried.

Membership Input: None

Monthly Safety Report: Dellinger stated that there were no personal injuries and there was no property damage. Federated did an inspection last week and the inspector had high praises regarding our safety procedures. The summaries from the latest safety meetings are in the board packet. Dellinger stated that with the outage last weekend, the decision was made not to send in crews immediately because of the danger from the fire and high winds. The crews were able to get in to work on the outage first thing the next morning.

Correspondence:

- Federated Patronage Statement
- CRC Report from the Board
- CoBank Patronage Statement
- Tri-State Patronage Statement
- CFC Report from the Board

Thank you letters:

- Scott and Wendy Benson for plant for grandson's services
- Molley Warren, thanking Matt Ruggles and Shad Bellmire for helping her get used electrical poles for a handicapped ramp.
- The Branson Family for plant for mother's service.
- Four States Ag Expo for annual sponsorship and for being a vendor for the 2024 Ag Expo.
- Four Corners Child Advocacy for the annual donation.

Policy Review/Action:

Policy 9: New Director Orientation (03-21-2022): Dellinger stated that staff and legal reviewed Policy 9 and no edits are suggested.

Policy 10: Board Of Directors – General Manager Relationship (05-13-2022): Dellinger stated that staff and legal reviewed Policy 10 and no edits are suggested.

Action Item: Policy 28: Scholarship Program (01-13-2023): Dellinger stated that the scholarship committee suggested that the approval of first-time scholarships review date be moved to April instead of March. This will allow more time to prepare the packets and schedule committee meetings. Fetterman moved to approve Policy 28 as amended, seconded by Barry. Motion carried.

General Manager Report:

Action Item: Consider Recipients for CoBanks Sharing Success Program: Dellinger explained that CoBank is once again offering its Sharing Success Program. We may request matching donations for up to four charities. The minimum contribution is \$250 and the total from all matches may not exceed \$10,000. McLaughlin has put together a summary of the program and past recipients for the board packet. Archibeque moved to approve Hospice of Montezuma, Four Corners Child Advocacy Center, The Salvation Army, and Imagination Library as the 2024 recipients of the CoBanks Sharing Success Program, seconded by Fetterman. Motion carried.

Action Item: Consider Resolution 01-2024 for GRIP: Dellinger stated that this is to authorize EEA to commit up to \$5,000,000 in matching funds for a GRIP Topic 1, Round 2 grant funding opportunity. EEA has two applications that have been invited to proceed to a full application. We have joined the Climate Shield Cooperative Network (CSCN) with San Luis Valley REC, and we have a stand-alone application. The application deadline is April 17, 2024. Robinson moved to approve Resolution 01-2024 as presented, seconded by Archibeque. Motion carried.

RESOLUTION 01-2024

At a regular meeting of the board of directors of Empire Electric Association, Inc. (“Empire”), held at its office and principal place of business in Cortez, Colorado, on April 12, 2024, there being a quorum present, the following resolution was proposed and after being put to vote was unanimously adopted, said resolution being in words and figures as follows, to-wit:

WHEREAS, Empire’s board of directors approved the 2022 – 2025 strategic plan; and

WHEREAS, the 2022 – 2025 strategic plan includes a goal to pursue grant funding opportunities and an objective to compete for grant funds and execute projects consistent with the grants awarded; and

WHEREAS, the board of directors recognize that the cooperative is completing a full application for grant funding under the Bipartisan Infrastructure Law (BIL) – Grid Resilience and Innovative Partnerships (GRIP), Funding Opportunity Announcement (FOA) Number DE-FOA-0003195; and

WHEREAS, the application requirements in the FOA require the applicant to submit a letter of commitment for cost-share purposes.

NOW, THEREFORE BE IT RESOLVED, that the board of directors hereby authorizes Ginny Johnson, Finance Manager, to execute a letter of commitment for the cost share requirement of DE-FOA-0003195 for an amount not to exceed \$5,000,000.

WITNESS THE HAND AND SEAL of the Officers of Empire Electric Association, Inc., on this 12th day of April 2024.

Financials: Johnson reported on the financials for February. She stated that we are still within all of our financial goals and loan covenants. Financials continue to be similar to the past months. She explained that the purchase power line item is below budget because the Tri-State's rate increase hasn't been approved through FERC. We aligned our budget with Tri-State's expected increase. We may need to reconcile the difference if Tri-State does not get a new rate passed soon. Tri-State has stated that they are hoping to get rate approval by June. Discussion was had regarding the Tri-State rate filings and how they are establishing the new rate.

Miscellaneous: Dellinger stated that the CAMU survey came in and we continue to move up the list. He discussed how we are ranked compared to other cooperatives. We are in the lower half in all rate classes. Robinson asked if the Coyote Gulch Solar Project and the Dolores Canyon Solar Project are still in the process of being built. Dellinger stated that they are moving forward. The Dolores Canyon Solar Project will be owned by Tri-State, and the Coyote Gulch is looking for a PPA.

Director Roundtable: Fetterman stated that he is going to have to resign from being the Tri-State representative. He will attend the meetings virtually until we change representatives in July. Sitton will sit in on the Tri-State meetings if Fetterman is unable to attend until a new representative is elected in July.

Attorney: Denning provided a written report in the board packet. Denning stated that the easement issue has been resolved.

Tri-State: Fetterman reported on the Tri-State Board meeting. The Tri-State annual meeting was held this month. Sitton and Fetterman both attended. There was discussion on the differences between the proposed BYOR and the existing BP118. Sitton stated that there were not a lot of details about the BYOR presented at the annual meeting. Dellinger stated that the contract committee has been paused until Tri-State has more certainty about its rate, the CTP case, and its proposed ERP.

CREA: Archibeque reported on the CREA Board meeting. He discussed that LaPlata Electric and CORE are losing their CEO's. CREA is working with them regarding their CREA membership. He attended the Poudre Valley Annual Meeting. There were over 500 people in attendance. He also attended CREA's budget and policy committee meeting and the resolutions meeting. The state has expanded the committee that is working on the Net Metering guidelines. This net metering working group will be a topic at the upcoming CREA joint board and managers meeting in May. Archibeque mentioned that he found out that Empire Electric is part of CAVE and he asked Dellinger what we get out of this group. Johnson stated that this is more of an informational group. This is through NRECA and Empire doesn't pay a fee to be part of it. He stated that another item that will be on the agenda for May's joint meeting is what are the commonalities of all of our Colorado cooperatives and what we can do to work together for legislative purposes. CREA is evaluating their safety programs to ensure they are meeting the needs of the individual cooperatives. He has several meetings scheduled for the remainder of April and May.

Western United: Barry reported that there is a quarterly meeting next week, so he has nothing to report.

Utah Rural Electric Cooperatives Association: Barry reported on the URECA Board meeting. He stated that they took a tour of the Glen Canyon Dam, and it was very informative. Dellinger also attended this meeting.

Committees: The Scholarship committee selected the 2024 Scholarship Award Recipients. They are as follows.

Montezuma-Cortez High School - \$1000

- Kaley Fizzell
- Andelin Lanier
- Aunica Naranjo
- Danika Oliver
- Chesnie Patrick

Dolores High School - \$1000

- Austin Anderson
- Brooklyn Lee
- Ashlyn Mikkelson

Dove Creek High School - \$1000

- Kenneth Chadd
- Melissa Davis
- Kalie Gatlin

Mancos High School - \$1000

- Akima Kane
- Chris Medina
- Kail Wayman
- Ronin Wise

Monticello High School - \$1000

- Kahryme Alvarado
- Curtis Bunker
- Shayla Pehrson

Home School - \$1000

- Cody Alexander
- Jacob Belt

Basin Scholarship - \$1000

- Braxton Dennison (Mancos High School)

Lineman - \$1000

- Toney Buffington (Dove Creek High School)
- Hunter Goodall (Montezuma-Cortez HS)
- Tanner Hite (Mancos High School)
- Broc Imel (Mancos High School)
- Jonathan Purkat (Dolores High School)
- Sheldon Whitmer (Montezuma-Cortez HS)

Trade Related (None)

Tri-State Scholarship - \$1000

- Jake Butler (Home School)

Adult Scholarships - \$1000

- Talissa Bahr
- Jasper Breitenbach
- Catharine Busing
- Iinanibaa Cordova
- Vanessa Kee
- Barbara Perkins

Empire Employee/Director Dependent - \$1000

- Amanda Hill
- Coleman Hoover
- Avery Stiegelmeier

- **47 Completed applications were received.**
- **42 Applications were reviewed for scoring by the committee.**
- **5 Applications disqualified.**
 - **2 Did not have EEA account.**
 - **3 Part-time students.**

Action Item: Consider the 2024 Scholarship Award Recipients: Lindsay moved to approve the 2024 Scholarship Award Recipients, seconded by Butler. Motion carried.

Audit Report Presentation by Phil Tippetts, Senior Staff Auditor with Decoria & Company, PC: Phil Tippetts gave an overview of the audit report. He stated that there are no issues and complimented the EEA accounting team.

Executive Session: Lindsay moved to go into executive session to discuss the audit report, the new HQ Building Contractor Proposals, how to proceed with the HQ Property Sale, FastTrack, and to receive legal advice, seconded by Robinson. Motion carried. Went into executive session at 11:00 a.m. Staff were asked to leave during the

auditor section of executive session, and they came back in at 11:07 a.m. Came out of executive session at 11:52 a.m.

Action Item: Consider Approving the 2023 Audit Report: Archibeque moved to approve the 2023 Audit Report as presented, seconded by Barry. Motion carried.

Adjournment: Meeting adjourned at 11:53 a.m.



David Sitton, President



Jerry Fetterman, Secretary/Treasurer