

EMPIRE ELECTRIC ASSOCIATION, INC.  
MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
AUGUST 12, 2022

Regular meeting of the board of directors of Empire Electric Association, Inc. was held Friday, August 12, 2022, 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 and Member Engagement Manager Andy Carter. Appearing by web conference was Business Service Manager Chris Snyder.

Others present by Web Conference: Members Emiko South and Ken Curtis  
Others present in person: Washington DC Youth Tour Recipient Madilynn Ritter

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

Approve Consent Agenda:

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

Membership Input: None

Washington DC Youth Tour Recipient Madilynn Ritter gave a presentation on the Washington DC Youth Tour. Miss Ritter had a power point presentation of her experience. She thanked the board for giving her the opportunity to attend.

Monthly Safety Report: Dellinger mentioned that there were no personal injuries and no property damages. He invited the board to the safety luncheon on September 8, 2022.

Correspondence:

CREA WC Group Retention Results

Thank you letter from:

Canyon Country Discovery Center for the annual donation  
Four Corners Board of Directors for the sponsorship for the Dean Hanson Golf Tournament  
Dolores High School Class of 2022 for the support of Operation Graduation  
Lauren Butler for the scholarship  
San Juan BOCES Science Fair for the sponsorship  
Four Corners Child Advocacy for the annual donation

Policy Review/Action:

Policy 16: Contract Execution and Consultant Relationships (7-10-2020): Dellinger stated that staff and legal reviewed and there were no edits suggested.

**Action Item:** Policy 17: Donation Policy (1-08-2019): Dellinger stated that staff and legal reviewed and there was one minor wording rearrangement suggested. Fetterman moved to approve Policy 17 as presented, seconded by Archibeque. Motion carried.

General Manager Report:

Consider Ongoing Donation Budget for 2023: Dellinger explained that Policy 17 (Donations / Sponsorships) call for the board to consider ongoing donations / sponsorships for the 2023 budget during August's Board meeting. A summary of the 2022 donations is in the packet. The board reviewed the ongoing donation list and made edits to remove some of the organizations that EEA hasn't sent a donation to for several years. The donation / sponsorship list will be finalized when the board approves the 2023 budget in November.

Appoint Voting Delegate to NRECA Regional Meeting: No Board members are planning on attending the NRECA Regional Meeting; therefore, no delegate was appointed.

Action Item: Consider Resolution 02-2022 Regarding PURPA Amendments: Dellinger explained that the Infrastructure Investment and Jobs Act of 2021 (IIJA) amended the Public Utilities Regulatory Policy Act (PURPA). Section 40104 of the IIJA added paragraph 20 to PURPA Section 111(d), and Section 40431 of the IIJA added paragraph 21 to PURPA (d). 40104 calls for utilities to consider rates that promote demand response while 40431 calls for utilities to consider rates that promote EV charging. PURPA does not call for specific rates, they only require that we consider these things when developing rates. Demand response and EV charging were two things that were discussed when we developed our new time-of-use and demand (TOUD) rates in 2021. We discussed having special rates for various types of loads, but ultimately decided to have one rate that sends the appropriate price signals and can be utilized by any type of load; thus, we have met the new PURPA requirements. Denning recommends that the board pass a resolution to memorialize that it has indeed considered these things in compliance with PURPA. Butler moved to approve Resolution 02-2022 regarding PURPA Amendments as presented, seconded by Lindsay. Motion carried.

**Resolution 02 – 2022: Consideration of Amended PURPA 111(d)**

**WHEREAS**, Sections 40104 and 40431 of the Infrastructure Investment and Jobs Act of 2021 amended the Public Utilities Regulatory Policy Act (PURPA) by adding subparagraphs 20 and 21 to PURPA Section 111(d); and

**WHEREAS**, the Board of Directors (Board) of Empire Electric Association, Inc. (EEA) has considered the requirements of the PURPA amendments to subparagraphs 20 and 21; and

**WHEREAS**, the Board has considered EEA's present rate tariffs including the Time of Use and Demand Rates that became effective on September 1, 2021; and

**WHEREAS**, the Board has considered measures to promote greater electrification of the transportation sector, including the establishment of rates that:

- (A) promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure;
- (B) improve the customer experience associated with electric vehicle charging, including by reducing charging times for light-, medium-, and heavy-duty vehicles;
- (C) accelerate third-party investment in electric vehicle charging for light-, medium-, and heavy-duty vehicles; and
- (D) appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board hereby determines that EEA's present rate tariffs satisfy the intent of said PURPA amendments by promoting timely recovery of the costs of promoting demand-response and demand flexibility practices; and **BE IT FURTHER RESOLVED**, that the Board hereby determines that EEA shall continue to promote the use of demand-response and demand flexibility practices by commercial, residential, and industrial consumers to reduce electricity consumption during periods of unusually high demand by sending appropriate price signals through its rate tariffs; and **BE IT FURTHER RESOLVED**, that the Board will continue to promote the electrification of the transportation sector by sending appropriate price signals through its rate tariffs; and **BE IT FURTHER RESOLVED**, that the Board hereby determines that EEA's present rate tariffs are sufficient for the purposes set forth in PURPA and no changes are needed at this time.

**Action Item:** Consider updates related to amended CCR 723-3: Tariffs index sheet, Net Metering Tariff, Policy 56: Interconnection of Distribution Energy Resources: Dellinger explained the Colorado PUC recently updated the Code of Colorado Regulations (CCR) that governs net metered installations. The updates primarily addressed interconnections procedures. Some of the rule numbers changed in the update. We need to update our Net Metering tariff and Policy 56 since both reference the CCR. We also recommend deleting references to the Utah net metering regulations since we are now exempt in Utah so long as we follow Colorado rules. We also need to clean up our tariff index sheet while we are at it. The new rules call for us to submit our tariff to the PUC, which we will do upon board approval. Archibeque moved to approve the Tariffs index sheet, the Net Metering Tariff, and Policy 56: Interconnection of Distribution Energy Resources as presented, seconded by Butler. Motion carried.

**Action Item:** Consider Clearnetworkx / Deeply Digital GIS Data Release Request: Dellinger stated that Clearnetworkx / Deeply Digital is working on a plan to build fiber in our area and has asked for GIS data that shows our pole locations. Per Policy 51, we need board approval to release such data. They have signed an NDA. Fetterman moved to approve Clearnetworkx / Deeply Digital's request for GIS Data, seconded by Robinson. Motion carried.

Consider 2022-2025 Strategic Plan: The board considered a proposed 2022 – 2025 strategic plan. They asked for a few changes to be made. The board would like to put safety in its own category and add FastTrack on as a goal. Staff will make those changes and bring back to the board for consideration in September.

KRTA Presentation: Johnson presented CFC's updated KRTA report to the board. The KRTA (Key Ratio Trends Analysis) is a report CFC develops annually to help cooperatives gauge how they compare to other cooperatives across the country in over 100 different financial categories. Of note is Ratio 114, which is Annual Growth in KWH Sold. In 2020, our 30.4% load loss ranked dead last, which meant that percentagewise we lost more load that year than any other cooperative in the country. We lost another 12.5% in 2021, which ranked 803 out of 812.

Financials: Johnson reported on the financials for June. She stated that she went to the Tax, Financial and Accounting (TFAC) conference last month. She mentioned that she chose the Fidelity Government mutual fund as the new investment SWEEP vehicle for our Vectra bank account. She also stated that the preliminary budget will be presented in October with a final budget being presented in November.

Miscellaneous: Dellinger stated that he received a call from Mike Conne regarding his property by our Totten Lake property. He is trying to get the boundary between his property and the EEA property changed.

Dellinger stated that he was able to get all the information sent for the subpoena that we received from Great Basin Electronics, Inc.

Dellinger received a call from Ellen Warren regarding purchasing two of our paper water taps that we have in Dove Creek. Dellinger explained how we got these taps and why we have them. He also mentioned the price we paid for them and what they are worth now and what she offered. The board discussed what we could do with these taps for future use. Board consensus is that we don't sell these taps and recommend that she go through Dolores Water Conservancy District to purchase taps through them.

Dellinger received a question this week from OneEnergy about extending their lease for the Totten Solar Project. We currently have a 20-year lease with no payment. We previously did an extension for 10-years with a payment. They are now asking for an additional 5-year lease. This will bring their lease to a 35-year total. Denning explained how the longer leases can help with their financial lending and investors. Board agrees that Dellinger should see what they will offer and bring it back to the board.

Dellinger attended the Boutique Solar open house in Pleasant View on Monday. There is quite a bit of opposition to this project.

Director Roundtable: Butler asked if we still have a rebate for LED lighting. Carter mentioned that we do and our Energy Management Advisor Brian Balfour could assist him with information on it.

Robinson mentioned that LPEA raved about their drone program. He stated that he is certified to operate a drone and he would be willing to donate his time and his drone if we would like to use it.

Attorney: Denning provided a written report. He stated that we did get tribal approval on our ROW.

Tri-State: Fetterman reported on the Tri-State meeting. He discussed the direct pay for renewable projects that is included in the Inflation Reduction Act. They are looking to make sure that coops are on equal footing with for-profit utilities. He also noted that negotiations with United are looking more promising. They are now discussing a staged exit in which United would become a partial requirements member soon and then fully exit in 2030. Next meeting is September 8, 2022. Dellinger gave an update on the rate committee. He noted there was discussion on whether United Power and Northwest Rural should remain on the rate committee since they are planning to leave. Board Chair Tim Rabon ultimately decided that they should remain on the committee. He also noted results from polling questions.

CREA: Archibeque reported on the CREA meeting. The meeting was held in Durango and several of the Board members attended. He highlighted on the "move over" bill that is being discussed. There will possibly be an increase in CREA dues. They are in the process of budgeting for 2023. He reminded the board that the Innovation Summit will be early in November. There are two director classes that will be offered during this summit. Ron Martinez is currently the CREA Secretary / Treasurer for the Board. He was defeated in his cooperatives election, so CREA will be appointing a new Secretary / Treasurer.

Western United: Barry reported on the Western United meeting. A fish fry will be held in August in Brighton.

Utah Rural Electric Cooperatives Association: Barry stated that their next meeting is next week in Ely, Nevada and he will not be attending.

FastTrack: Report will be in executive session.

Committees: Sitton made new assignments to the Committees. He replaced former director Audra Fahrion with new Director Corey Robinson.

Executive Session: Lindsay moved to go into executive session for discussion of the FastTrack report, seconded by Butler. Motion carried. Went into executive session at 11:39 a.m. Came out of executive session at 11:55 a.m.

**Adjournment:** Meeting adjourned at 11:56 a.m.



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Jerry Fetterman, Secretary/Treasurer



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David Sitton, President