

EMPIRE ELECTRIC ASSOCIATION, INC.  
MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
February 06, 2025

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Thursday, February 06, 2025, with the following directors present: David Sitton, Kent Lindsay, Bob Barry, Larry Archibeque, Corey Robinson, and Bill Mollenkopf. Others present: General Manager Josh Dellinger, Attorney Shay Denning, Executive Secretary / HR Representative Shawna McLaughlin, Financial Manager Ginny Johnson, Operations and Engineering Manager Ken Tarr, Business Service Manager Chris Snyder, Member Engagement Manager Andy Carter, and System Engineer Dalton Randolph. Appearing by web conference: Director Jerry Fetterman.

Others present in person: Member Jeff Busic.

Others present by web conference: Member Ken Curtis.

President Sitton called the meeting to order at 1:30 p.m.

Approve Consent Agenda:

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

Membership Input: None.

Monthly Safety Report: Dellinger stated that there were no personal injuries. We had one property damage where a bucket truck damaged gutters on a house. The crew was working in a tight spot and as they were pulling out, the handrail on the bucket steps caught a gutter on a house and pulled a section off. Crews put the gutter back up to make it functional and we filed an insurance claim with Federated to get it properly repaired. We updated the SPCC plan which we do every five years. The TapRoot investigation into the electric contact that happened last month has been completed and we are working with staff and the safety committee to see if any changes to work practices need to be made.

Correspondence:

- Federated Member Update – February.

Thank you letters:

- San Juan Health for the gift for the New Year's Baby.
- The Bridge Emergency Shelter for the annual donation.
- Hospice of Montezuma for the annual donation.
- Cancer Resource Alliance for the annual donation.
- Crow Canyon Archaeological Center for the annual donation.
- Four Corners Community Band for the annual donation.
- Wildfire Adapted Partnership for the annual donation.
- The Galloping Goose Historical Society of Dolores for annual donation.
- Canyon Country Discovery Center for annual donation.
- Energy Outreach Colorado for the matching donation.

Director Larry Archibeque received recognition for completing all the courses needed to receive his Board Leadership Certificate from NRECA.

Policy Review/Action:

**Action Item:** Policy 30: Funeral Leave (02-10-23): Dellinger stated that there were a couple minor edits suggested. Archibeque moved to approve Policy 30 as presented, seconded by Barry. Motion carried.

**Action Item:** Policy 31: Campaign Contributions Reporting (03-10-2023): Dellinger stated that there are a few minor edits suggested. Attorney Denning suggested that we do some small re-wording for clarity. Mollenkopf moved to approve Policy 31 as presented, seconded by Lindsay. Motion carried.

General Manager Report:

**Action Item:** Consider the SMA Data Request: Dellinger explained that Souder, Miller, and Associates (SMA) is an engineering firm out of Farmington that is working on water projects for the Ute Mountain Ute Tribe. They have asked us for GIS files of our underground infrastructure in the project areas to assist them as they evaluate options for waterline paths. The project will involve a line between Towaoc and Cortez as well as infrastructure build-out in Towaoc. This request falls under Board Policy 51 – Information Disclosures. They have signed an NDA. Robinson moved to approve SMA’s data request, seconded by Mollenkopf. Motion carried.

Select Voting Delegate and Alternate for NRECA Annual Meeting: Dellinger mentioned that the NRECA Annual Meeting will be held in Atlanta, GA on March 8 – 12, 2025. This was tabled from last month’s meeting so that the directors could determine if they would be able to attend. At this time, none of the directors will be able to attend the NRECA Annual Meeting so no voting delegates will be needed.

Financials: Johnson reported on the financials for December. She explained that the year-end financials presented are preliminary and that there were a couple of large year-end adjustments that reduced operating margin. The first adjustment stems from the Kinder Morgan and Cortez Pipeline annual reconciliations. We over-collected approximately \$124,000, which will reduce revenue and that will have a direct effect on the operating margin. She will present the actual reconciliation at next month’s meeting for the board’s review and approval. The other major effect on the operating margin is property taxes. The 2025 property taxes were more than we expected, further reducing the 2024 operating margin. Johnson stated that after these adjustments we are still within financial goals and loan covenant requirements. As she explained the financials line by line, she went over the variances within the budget and explained those variances. She discussed the labor and benefits section of the budget explaining how deferred compensation shows in the budget variance. A monthly statement of cash flows was added to the financial packet, which was requested by one of our directors. Johnson stated that federal grant funding has been called into question based on the outcome of several court cases filed against the President’s Office around Executive Orders entered after President Trump entered office. We currently have four projects that are to be funded with those grants. These projects are the Blue Mountain Ranches underground project, the vegetation management project with Shelterra, the Advanced GRID Hardening for electronic reclosure and reclosure controls, and the recently awarded project for covered conductors. She asked the board for direction on whether we want to continue with these projects regardless of grant funding. The directors discussed the importance of these projects, what has already been invested into these projects, and the costs that would be involved with these projects if the funding doesn’t come through. Denning opined that these court cases are likely to only be fully resolved by the Supreme Court, but until that happens, the federal government has been directed to continue funding awarded grants. Therefore, projects that are far enough along to receive reimbursement should be paid out as awarded; and any projects that are not started are more vulnerable. The consensus from the directors is to move forward in getting the agreement signed for the Blue Mountain Ranch

February 6, 2025

Page | 2

project and continue that project with or without the grant, continue moving forward on the vegetation management project with Shelterra for one year, and to wait on the Grid Hardening reclosure and the covered conductor projects.

Miscellaneous: Dellinger mentioned that the NRECA legislative conference is April 26<sup>th</sup> – 30<sup>th</sup>. Sitton mentioned that our strategic planning session is scheduled for April 30<sup>th</sup> so if anyone wants to attend, we will need to reschedule that session.

Dellinger updated the board on the Monticello Franchise Agreement which is up for renewal in July. He mentioned that Monticello has sent out an RFP for a consultant to evaluate their options for electrical service. The Dolores Franchise agreement expires in November, and Dellinger has reached out to the Dolores Town Manager Leigh Reeves to begin discussions on establishing a new agreement.

Montezuma County is working on updating their Hazard Mitigation Plan, and they are looking for stakeholders to partner with them on this plan. Dellinger stated that if there is no objection from the board, he will let them know that we will be contributing as a partner.

Dwayne Highley with Tri-State will be coming down on Thursday, March 13, 2025, at 1:00 p.m. for the WESC meeting. March 14<sup>th</sup> is our regular scheduled board meeting and Dellinger asked if the board would like to go ahead and schedule the meeting for the 13<sup>th</sup> to coincide with this meeting. The board agreed to go ahead and have the meeting on Thursday, March 13, 2025, at 8:30 a.m.

Director Roundtable: Mollenkopf mentioned that he attended the Co-op Innovation Network (CIN) meeting. He read a paragraph which stated that the CIN is committed to fostering collaboration among rural electric cooperative leaders across the nation. Their goal for the 2025 leadership lab is to provide actionable policy solutions and create dynamic spaces for coop leaders to learn shared strategies and drive progress in energy leadership. There were 18 people that were invited. He mentioned that this was a 3 ½ day agenda and reviewed some of the presentations and discussions that were held. Ted Compton from LPEA is the executive director. He stated that he may go ahead and attend the web conference next month and then will see if he would be a good fit for future attendance.

Attorney: Attorney Shay Denning stated that the report is in the packet. She reviewed the pole attachment guidelines as requested by the board last month. She stated that our joint use agreement puts all the responsibility for complying with applicable laws and regulations on the companies that are attaching their lines. They are responsible for perfecting their own easements, right of ways, and following all attachment height requirements. Her recommendation is for EEA not to change anything in our joint use contracts. The landowners would need to bring up the height and access issues with the County Commissioners and request them to make needed changes to their requirements. Denning will provide an email with some talking points to assist the board and staff in discussions with the landowners.

Tri-State: Robinson reported on the Tri-State Board meeting. They had a strategic planning session this month. They discussed their plans for dispatchable resources. They will likely need a new gas power plant in the Craig area. Final models will be presented in March. They have a combined cycle plant, JM Schafer, in the front range that is nearing the end of its expected useful life. They discussed whether they want to update that plant or continue to operate it as-is but with de-rated capacity. There are six different models that they ran, and all the numbers will be presented to the board in March. They also discussed high impact loads and how to add them in a fair way. They want to have a repeatable and fair process to address large load requests. Tri-State currently peaks at about 2.1 GW and has received requests for 4.5 GW of new load over the past year. The board's position is to have zero risk for Tri-State. They talked about asset retirement obligations and environmental remediation mitigations. There was also a conversation held on deferred revenue strategy and pat cap strategy. Then they spoke about wildfire strategy and getting legislation through the states in their service territory to limit our

February 6, 2025

Page | 3

liability. They also discussed the uncertainty with New ERA funding. They are encouraging people to reach out to our elected representatives to encourage the executive branch to move forward with the funding. There is a letter that the board could sign and send to both Colorado and Utah representatives. The board and staff of Tri-State will be going to DC in the next couple of weeks to lobby for support of the New ERA program. Robinson stated that he would be going with them. The board instructed Dellinger to send letters to our representatives on behalf of EEA, with all the board members as signatories. **Action Item:** Robinson moved to delegate authority to Dellinger to prepare a letter from EEA in support of continuing the New ERA funding based on the form provided by Tri-State and send to the appropriate individuals in Colorado and Utah, seconded by Mollenkopf. Motion carried.

CREA: Archibeque reported on the CREA meeting. There was a virtual meeting that was brief due to the annual meeting scheduled for next week. So far there have been 220 bills introduced in the state legislature. There was discussion on AI regarding the amount of energy it may require. Curt Graham has been promoted to the head of the safety loss program. There is a CREA Summer School in Vail August 1<sup>st</sup> – August 3<sup>rd</sup> and seating is limited. The cost will depend on the number of people attending and he would like to encourage board attendance. If anyone would like to go, they will need to get their reservations done as soon as possible to secure a spot. Mike Johnson represents Emanate Energy out of Sweden, and he is trying to sell a DERMS software program. He will refer him to Dellinger. Denning asked about the possibility of CREA partnering with surrounding states regarding wildfire mitigation. Archibeque stated that he doesn't think Colorado legislators have much interest in a wildfire liability bill. Robinson stated that CREA and Tri-State have been working together on lobbying for a wildfire bill.

Western United: Barry reported on the Western United meeting. The report was in the packet, and he will be attending the annual meeting in Denver next week.

Utah Rural Electric Cooperatives Association: Barry reported on the URECA meeting. He attended the rural caucus, and Utah is working to build more generation in the state. They want to double their power supply in the next 10 years, and they are willing to spend money and time to pursue this goal. URECA is working to get an energy curriculum into schools to educate kids on energy issues.

Committees: The Youth Tour Committee meet and selected the recipient for the 2025 Washington DC Youth Tour to be Kooper Nielson and the recipient for the 2025 Steamboat Springs Youth Leadership Camp to be Aubrie Matthias. Archibeque moved to approve these selections, Barry seconded. Motion carried.

Executive Session: Robinson moved to go into executive session to discuss Tri-State, The Monticello Franchise Agreement, Sale of the HQ Building, and to receive legal advice, seconded by Robinson. Motion carried. We went into executive session at 4:28 p.m. came out of executive session at 5:30 p.m.

Adjournment: Meeting adjourned at 5:30 p.m.



David Sitton, President



Jerry Fetterman, Secretary / Treasurer