

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

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, July 12, 2024, with the following directors present: David Sitton, Jerry Fetterman, Kent Lindsay, Bob Barry, Larry Archibeque, Corey Robinson, and Bill Mollenkopf. 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, Member Engagement Manager Andy Carter, and System Engineer Dalton Randolph. Appearing by web conference is Business Service Manager Chris Snyder.

Others present in person: Washington DC Youth Tour Recipient Cambree Chamberlain.

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

Approve Consent Agenda:

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

Membership Input: None

Presentation by Cambree Chamberlain – Washington DC Youth Tour Recipient: Cambree Chamberlain gave a presentation on her EEA-sponsored Washington, D.C. trip. She presented a slide show with pictures of her experience and spoke about the activities and tours that she was able to attend. She was able to meet several new people from different states. She thanked the Directors for this amazing opportunity.

Monthly Safety Report: Dellinger stated that there were no personal injuries. We did have three of the EEA trucks received cracked windshields from rocks. A safety summary is in the board packet. We completed our biennial First Aid / CPR / AED training. We have conducted electrical safety training with the Cortez Police department and are working to schedule trainings with other first responders. Dellinger reminded the board that our safety luncheon and employee annual meeting will be held on September 12th and the board is invited to attend.

Correspondence:

- CRC Report from the Boardroom
- Federated Member Update for June 2024

Thank you letters:

- Egnar – Slickrock Fire Protection District for the annual donation and helping them receive the Basin Electric matching donation.
- Austin Anderson for the scholarship.
- Cambree Chamberlain for the trip to the Washington DC Youth Tour.

Policy Review/Action:

Policy 15: Compensation and Expenses of Board Members (07-08-2022): Dellinger stated that staff and legal reviewed Policy 15 and no edits are suggested.

Policy 16: Contract Execution and Consultant Relationships (08-12-2022): Dellinger stated that staff and legal reviewed Policy 16 and no edits are suggested.

General Manager Report:

Review 2023 Form 990: Dellinger explained that since we are non-profit, we are required to complete a Form 990 each year and the board is required to review it. Johnson explained this form and stated that it gives the IRS information regarding the financials of EEA. This is a public form that provides transparency on the cooperative. All numbers on this form come straight from our financials. Board reviewed the 990 form and instructed Johnson to file it.

Review Long Term Financial Forecast (LTFF): Dellinger mentioned that the 10-year financial forecast has been updated and is in the board packet. He stated that overall, we are in a strong financial position, but there are some things that warrant discussion as we look to the future, such as whether we would like to establish Return on Rate Base and/or Capitalization targets or goals in addition to our current financial goals. Johnson presented the LTFF and discussed this with the board. Staff suggested that we schedule a workshop with the board to discuss the LTFF in more detail and discuss the possibility of including additional financial metrics. Board agreed that a workshop would benefit them. The financial goal workshop will be held on July 18, 2024 at 1:00 p.m. Sitton mentioned that he would like to see the construction work plan as he feels that this would benefit the board during the budget process. Dellinger stated that there is a summary of the construction work plan in the board packet under the General Manager's report. Staff provided a construction work plan during last year's budgeting process and will update it again this year.

Select Livestock Buyers for Montezuma and San Juan County Fairs: Dellinger stated that the Montezuma County Fair Livestock Auction is August 3, 2024 at 2:00 p.m. and the San Juan County's is August 10, 2024 at 9:00 a.m. Lindsay and Mollenkopf will be the buyers for Montezuma and Barry and Archibeque will be the buyers for San Juan.

Review Campaign Contribution Forms: Dellinger stated that per Policy 31: Campaign Contribution Reporting all campaign contribution forms must be reviewed by the board. The campaign contribution forms for all three candidates are in the board packet. None of the candidates received any contributions for their campaigns this year. Board reviewed the forms and there were no concerns.

Review Director's Disclosure Statement: Dellinger explained that all board members and key staff must share any conflicts of interest in an annual disclosure statement. Since Mollenkopf is our new director, we had him complete a disclosure statement and it is in the board packet for review.

Select Voting Delegate for NRECA Region 7 meeting: Dellinger mentioned that the NRECA Region 7 meeting will be held in Sacramento, CA, September 24-26, 2024. We may select a voting delegate to represent EEA. The delegate must attend in person. No board member is interested in attending the meeting, so no delegate was selected.

Financials: Johnson reported on the financials for May. She stated that there are no surprises in the May financials. We continue to be under budget in most categories. We are still waiting on a decision from FERC on the new Tri-State rate. We budgeted for a Tri-State rate increase that has not yet materialized and that is driving our purchase power budget variance.

Miscellaneous: Dellinger stated that we closed on the property across the street.

We will have a phone system upgrade on the night of August 9th. We will not have any phone lines for a while and all calls will go straight to CRC.

Director Roundtable: Sitton mentioned that he received a call from a lady regarding us excluding a community room in the new headquarters building. She felt that the board was doing a disservice to the community. She asked that the board reconsider this position. Discussion was had on the pros and cons of building a community room. Consensus from the board is that we continue with our current plans and not build an additional community room.

Sitton also mentioned that at the annual meeting, there was a question regarding us having a renewable energy goal. His answer was no, we are a distribution cooperative, and we rely on our generation and transmission company to provide renewable energy to us. We support Tri-States efforts to continue the path in achieving their renewable energy goals. Carter also mentioned that we do have a green power program where members can purchase green power blocks. Denning mentioned that we could adopt a resolution that supports Tri-State's ERP. Dellinger noted that the board adopted a resolution several years ago in this regard. Board directed Dellinger to draft a resolution regarding support of Tri-State's ERP.

Attorney: Denning provided a written report in the board packet. He participated in the New Director Orientation. He has also been working on the contract for construction for the new headquarters. He has also been in contact with Princeton for the line extension contract which he is hoping to complete by next week.

Tri-State: Fetterman reported on the Tri-State Board meeting. He stated that they had a virtual meeting on Thursday. The RTO and funding for the RTO was discussed. Susan Hunter presented a plan for long term capacity and energy sales which will benefit Tri-State. They discussed deferred revenue from the CTP. This was Fetterman's last meeting as the EEA representative.

CREA: Archibeque reported on the CREA Board meeting. He highlighted on the legislative bills that CREA was engaged in. CARE endorsed 5 candidates for the upcoming election. He mentioned that CREA has two job vacancies that were left open by the departures of Tim Coleman and Jenna Hirsch. He mentioned that there will be an executive session in Montrose to discuss these vacancies. Dellinger stated that CREA Director Kent Singer will be at our board meeting in August.

Western United: Barry reported on the Western United meeting. He stated that Colorado sales have dropped, but Utah, New Mexico and Nevada have been picking up sales. WUE is still doing well.

Utah Rural Electric Cooperatives Association: Barry was unable to attend the meeting due to it being in conflict with our annual meeting. He attended by web conference. Utah is working on a bill to pass through the legislature to educate teachers on energy.

Committees: The Scholarship Committee reviewed the scholarship applications for the Continuing Education Scholarships. There were 22 completed applications and 15 available scholarships. The scholarship award recipients are.

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| 1. Izabella Balfour | 8. Lilly Bell Figueroa |
| 2. Trista Barnett | 9. Alexa Gray |
| 3. Lexie Burton | 10. Evan LaMunyon |
| 4. Riley Cannon | 11. Lizabeth Likes |
| 5. Gabriel Crowley | 12. Quinn Maness |
| 6. Farrar Desloge | 13. Andres Moreno |
| 7. Sophie Eschallier | 14. Madilyn Ritter |

15. Makayla Wayman

Action Item: Consider Continuing Education Scholarship Recipients: Lindsay moved to approve the scholarship recipients as presented, seconded by Robinson. Motion carried.

Executive Session: Lindsay moved to go into executive session to discuss FastTrack, receive legal advice, to review the Key Staff Executive Summary, and to discuss the new headquarters building, seconded by Mollenkopf. Motion carried. Went into executive session at 11:35 a.m. Staff was asked to leave at 12:06 p.m. Came out of executive session at 12:28 p.m.

Action Item: Elect Representatives for:

- Tri-State – David Sitton and Corey Robinson were nominated as the Tri-State Representative. Corey Robinson was elected to Tri-State with a 4 to 3 vote by secret ballot.
- CREA – Larry Archibeque by acclamation.
- Western United – Bob Barry by acclamation
- URECA – Bob Barry by acclamation

Lindsay moved to appoint the above as representatives for CREA, Western United, and URECA by acclamation, seconded by Robinson. Motion carried.

Action Item: Officer Elections – Attorney presiding

- President – David Sitton
- Vice President – Kent Lindsay
- Secretary / Treasurer – Jerry Fetterman

Archibeque moved to appoint the above as Board Officers by acclamation, seconded by Barry. Motion carried.

Adjournment: Meeting adjourned at 12:42 p.m.



David Sitton, President



Jerry Fetterman, Secretary/Treasurer