

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
July 14, 2023

Regular meeting of the board of directors of Empire Electric Association, Inc. was held Friday, July 14, 2023, with the following directors present: David Sitton, Kent Lindsay, Jerry Fetterman, 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, Member Engagement Manager Andy Carter, and System Engineer Dalton Randolph. Appearing via web conference is Business Service Manager Chris Snyder. Absent is Director Bob Barry.

Others present in person: Ryan Blake with Dolores County Extension Office.

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 Lindsay. Motion carried.

Membership Input: There was no membership input.

Monthly Safety Report: Dellinger stated that there were no personal injuries reported. There was one property damage: a bucket truck windshield was cracked while getting it unstuck.

Correspondence:

- Federated Member Update – June 2023
- CRC Report from the Board Room, June 2023
- Western United Invitation to their Open House on September 14, 2023

Thank you from:

- Caroline Podgornoff for the graduation gift.
- Kendall Gardner for the scholarship and the graduation gift.
- Shayla Pehrson for the Youth Tour Washington DC Trip.
- David Quinn thanking the lineman for their quick response during the apartment fire.
- Mary Thiesing for the flowers for her mother's service.
- Pinon Project for our employee auction proceeds that were donated.
- Gabe Crowley for the scholarship.
- David Sitton thanked the board for the sympathy calls, visits, and flowers.

Policy Review/Action:

Policy 44: Attendance at Board Meetings (06-11-2021): Dellinger stated that staff and legal reviewed the policy and no edits are suggested.

Policy 45: Identity Theft Protection (06-11-2021): Dellinger stated that staff and legal reviewed the policy and no edits are suggested.

General Manager Report:

Action Item: Consider OTAK GIS Data Release Request: Dellinger explained that OTAK is working with Montezuma County on a bike path along Highway 160 between mile markers 42 and 49 and they would like to know where our facilities are in this area so they can plan appropriately. Fetterman moved to approve the OTAK request, seconded by Robinson. Motion Carried. Lindsay abstained from the vote.

Action Item: Consider Dolores County CSU Extension Office GIS Data Release Request: Dellinger stated that the Dolores County CSU Extension Office is working on an economic development analysis for Dolores County and would like to know where our lines are so they can identify potential areas for development. Robinson moved to approve the Dolores County CSU Extension Office request, seconded by Archibeque. Motion carried.

Select Voting Delegates for NRECA Regional Meeting: Dellinger mentioned that the NRECA Region 7 and 9 meeting is scheduled for September 26-28, 2023 in Omaha, NE. The board may select a voting delegate for this meeting. The delegate must attend in person to vote. No director plans to attend this meeting, therefore, no delegate was selected.

Action Item: Select Buyers for the Montezuma and San Juan County Fairs: Dellinger stated that the Montezuma County Fair Junior Livestock Sale is scheduled for Saturday, July 29 at 2:00 p.m. and the San Juan County Fair Junior Livestock Sale is scheduled for Saturday, August 5 at 9:00 a.m. We need to select the buyers for this year's auctions. Butler moved to select Lindsay and Fetterman for Montezuma County and Barry and Archibeque for San Juan County, seconded by Robinson. Motion carried.

Select Bank for Cash Management Services: Dellinger explained that at June's Board meeting, four banks presented their cash management services to the directors. They have all submitted RFP's which are in the board packet. Johnson has put together a summary of their costs and discussed each bank's proposal. She recommended that we table this so that she can check references. Board tabled this agenda item to allow Johnson more time to prepare her recommendation. She will bring this back to August's board meeting.

Review Campaign Contribution Forms: Dellinger explained that per Policy 31 – Campaign Contribution Reporting all campaign contribution forms have to be reviewed by the board. The campaign contribution forms for all four candidates are in the board packet. Discussion was had about campaign contributions coming in from outside the EEA service area. Board discussed adding a section on the contribution reporting form asking for addresses of the contributors. Denning will research options and report back to the Board.

Action Item: Form 990 Review: Dellinger explained that as a 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 and allows transparency on the cooperative. All numbers on this form come straight from our financials. Fetterman moved to approve the Form 990, seconded by Lindsay. Motion carried.

Financials: Johnson reported on the financials for May. She stated that May's financials have continued trends with prior months, and we continue to meet or exceed all financial goals. Dellinger stated that he noticed that our rates have smoothed out since our rate structure, and this now shows more consistency. Johnson mentioned that in July's board meeting the board discussed credit card fees and asked if we should consider charging fees to our members that pay by credit cards. She did an analysis of the cost of all the fees we have when accepting payments and placed it in the board packet. Johnson stated that credit card fees are not our top expense, and she would not recommend charging additional fees to our members when they pay with a credit card. The least expensive way to pay the bill is by an echeck through our website. Johnson also mentioned that we had four attempted fraudulent transactions over the last month. The accounting department rejected these transactions but was recommended by the bank to contact the police department to open an investigation. Fortunately, no damage occurred. The police contacted the individuals and we have not seen any more attempts.

Johnson also discussed grant funding proposals. She went over all the grants that have been submitted and future grants that she plans to submit. Dellinger noted that if we start getting approval for these grants, we will need to increase staff to be able to manage the reporting requirements.

Miscellaneous: Dellinger mentioned that Duane Highley with Tri-State was planning on attending our August regular meeting, but he is unable to attend. He will reschedule for September or October.

Dellinger explained that the staff met with Love's Truck Stop regarding the large power rate for DC Fast Chargers. He stated that overall, it was a friendly and productive conversation. They will re-run their analysis based on a better understanding of our large power rate and our business model and determine whether to install fast chargers at their new travel center south of Cortez.

In CREA's August Board Meeting, they will be selecting an individual to represent Colorado on the NRECA Cooperative Management Employment and Community committee. Dellinger explained that this is one of NRECA's three standing committees. CREA has a gentleman's agreement with other states in Region 7 that establishes a rotation schedule for each state to have a representative on it. It is Colorado's turn to have a person on this committee. The term is 2 years, and it meets once a year. If anyone is interested in applying to this committee they can contact Julie Baker with CREA. Dellinger mentioned that NRECA is going to have a 4.5 % increase in their dues in 2024.

Safety luncheon has been changed to Thursday, August 10, 2023 at noon. McLaughlin has sent a calendar invite. The Montezuma Solar project was energized yesterday. All three solar projects are now online.

Director Roundtable: Sitton mentioned that there has been a lawsuit filed by environmental groups against the US Forest Service for alleging that the Forest Service violated laws in its approval of the Salter Timber Project. He stated that this doesn't directly impact EEA, but it could affect future forest plans that could impact the cooperative. Sitton suggested that EEA consider signing a letter that encourages swift resolution to this issue. This environmental assessment will affect the Boggy Draw area and DWRF is working on a letter to submit to both parties to attempt to encourage them to resolve this lawsuit. Dellinger will contact Danny Margoles with DWRF to see if he can get a copy of that letter.

Robinson reflected on the EEA annual meeting and asked that we have a section in next year's meeting regarding our safety culture that shows how dedicated EEA is to that culture and our safety accomplishments. Archibeque also stated that he was pleased that Dellinger and Highley reported on the positives that have been going on with Tri-State and EEA. Archibeque brought a poster to Dellinger from the San Luis Valley annual meeting that was a guideline of what the future holds for that cooperative and would like to look at doing something similar for our next year's meeting. Dellinger stated that he will look at both Robinson's and Archibeque's suggestions for next year's meeting.

Attorney: Denning provided a written report. He reviewed some estoppel agreements related to solar leases and a Software as a Service Agreement provided by a vendor. He also worked on FastTrack tasks and that will be reported in executive session.

Tri-State: Fetterman reported on the Tri-State meeting. He stated that the meeting was on Wednesday. He discussed the district court case in Adams County, and they are going to try to mediate it. He will send a copy of the full report once he receives it. FERC allowed an extension for comments on the rate filing. That extension ends today then FERC will make a preliminary ruling on whether to accept this or not. The rate will likely go into place while it is being challenged. Denning explained how the timing works if it is accepted and challenged. Dellinger explained the direct assignments that Tri-State continues to work on and how those direct assignments affect EEA's rate in 2024.

CREA: Archibeque reported on the CREA meeting. He highlighted that Vice President Joe Rodetzke from Sangre de Cristo lost his election so they will be electing new officers in August.

Western United: Dellinger reported on behalf of Barry that Western continues to perform extremely well financially. They had a record year in 2022. Their open house is on September 14, 2023, and all are invited to attend.

Utah Rural Electric Cooperatives Association: There was no meeting and the next one is in August.

FastTrack: Report will be in executive session.

Committees: Action Item: Consider the Continuing Education Scholarship Awards: The award recommendations are as follows:

1. Kennedy Brewer
2. Erin Brown
3. Lauren Butler
4. Ridley Dennison
5. Gabriel Fizzell
6. Tia Imel
7. Allie Kibel
8. Morgan Maloy
9. Elizabeth Mee
10. Jessica Slack
11. Makayla Wayman

In total we had 13 Continuing Education applications.

- 12 completed applications (15 scholarships available)
- 1 should have applied for the adult scholarship in December.

Lindsay moved to approve the Continuing Education scholarships as presented, seconded by Robinson. Motion carried.

The rate committee met and there is a summary in the packet. The staff would like to have another meeting to go over the items that they were tasked with researching. The rate committee will meet on Friday, August 4, 2023 at 10:00 a.m.

Executive Session: Lindsay moved to go into executive session to discuss the FastTrack report and to receive legal advice, seconded by Robinson. Motion carried. Went into executive session at 10:58 a.m. Came out of executive session at 11:17 a.m.

Action Item: Board Representative Elections for Tri-State, CREA, URECA, and Western United Boards: Archibeque moved to elect all of the Board Representatives and Officers by acclamation, Jerry Fetterman – Tri-State, Larry Archibeque – CREA, Bob Barry – URECA and Bob Barry – Western United. David Sitton – President, Kent Lindsay – Vice President and Jerry Fetterman - Secretary / Treasurer, seconded by Lindsay. Motion carried.

Adjournment: Meeting adjourned at 11:20 a.m.



David Sitton, President



Jerry Fetterman, Secretary/Treasurer