

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 9, 2023

Regular meeting of the board of directors of Empire Electric Association, Inc. was held Friday, June 9, 2023, with the following directors present: 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. Absent was President David Sitton.

Others present in person: Bank representatives from Vectra Bank, 1st Southwest Bank and Four Corners Community Bank.

Others present by web conference: Member Emiko South and Elise Goggin and bank representatives from CoBank and Four Corners Community Bank.

Vice President Lindsay 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 Fetterman. Motion carried.

Membership Input: None

Cash Management Proposal Presentations: Johnson explained that our contract with Vectra Bank expires in September, therefore we sent out RFI's to financial institutions for cash management services. We had four institutions respond to the RFI's. Vectra Bank, CoBank, Four Corners Community Bank and First Southwest Bank all gave presentations regarding their cash management services. The RFP's will be presented at the July meeting for the Board to select the banking institution for our cash management services.

Monthly Safety Report: Dellinger stated that there were no property damages or personal injuries reported. He mentioned that the Health and Safety committee is looking at replacing a section of our sidewalk to install a walkway ramp near the employee parking lot. This will help keep the ice from building up on the sidewalk during the winter months. They are also researching a commentary driving training to make our employees more aware of safety when they are driving fleet vehicles. Commercial Vehicle Safety Alliance (CVSA) conducted inspections on our trucks, and they did not find any critical issues. The EEA Safety Luncheon will be held on September 7, 2023.

Correspondence:

- Federated Member Update – May 2023
- Western United Patronage Retirement
- Western United Invitation to their Open House on September 14, 2023

Thank you from:

- Dolores Fire Protection District for help installing the siren poles.

- Imagination Library for endorsement for them to get a matching grant for CoBank's Sharing Success Program.
- Riley Cannon for the scholarship.
- The Pinon Project for the proceeds from our employee auction.

Policy Review/Action:

Action Item: Policy 41: Physicals (05-14-21): Dellinger stated that staff and legal reviewed the policy and a few minor edits were suggested. Fetterman moved to approve Policy 41: Physicals as presented, seconded by Robinson. Motion carried.

Policy 42: Employee Retirement (05-14-2021): Dellinger stated that staff and legal reviewed the policy and no edits are suggested.

General Manager Report:

Action Item: Consider Budget Increase for Digger Derrick Truck: Dellinger explained that last year, the board approved a budget item for us to order a digger derrick truck for \$415,000. The manufacturer has now told us that the truck's cost has increased to \$475,000. Staff is asking the board to approve a budget increase for this truck. Archibeque moved to approve the budget increase to \$475,000 for the digger derrick, seconded by Robinson. Motion Carried.

Strategic Planning Update: Dellinger stated that staff continues to work on the strategic planning goals. The written report and the tracking model were in the packet. Archibeque mentioned that he has been hearing within the community that EEA hasn't been applying for the federal and state grants that are available. Johnson explained that we have been applying for several grants and she discussed those grants. The grants that have been applied for and upcoming opportunities are as follows:

Declined Proposals/Applications:

- FEMA HMGP – wildfire mitigation – Our project concept was to underground lines in high fire danger area. Project was not awarded funding.
- Department of Energy GRIP Topic 1: Wildfire Mitigation – Our project concept was to underground lines in high fire danger area. Project was not selected by the NRECA Consortium
- Office of Clean Energy Demonstrations (OCED) Energy Improvements in Rural or Remote Areas (ERA) – Our project concept was to upgrade distribution line transformers. Project was not selected by the NRECA Consortium

Upcoming Funding Opportunities:

- Office of Clean Energy Demonstrations (OCED) Energy Improvements in Rural or Remote Areas (ERA) Grant Program. This program is for \$500,000 - \$5,000,000 projects and Empire will respond independently to the funding announcement. We have identified two projects for this funding, we are in process of evaluating how we will proceed.
- USDA Rural Energy for America Program (REAP) – This is a guaranteed loan program with a focus on environmental requirements.
- USDA Empowering Rural America (New ERA) - Loan and/or grant program that prioritizes greenhouse gas reductions.

Financials: Johnson reported on the financials for April. We continue to meet of all our financial goals. She also updated the board on EEA's long-term financial forecast (LTFF). She discussed the modeling assumptions and results that were presented in the board packet.

Miscellaneous: Dellinger reminded the board that the annual meeting is scheduled for next week on Thursday, June 15, 2023. He asked for volunteers to do the invocation and the pledge. Butler volunteered to do the invocation and Archibeque volunteered to lead the pledge.

Director Roundtable: Archibeque mentioned that he was approached by two of our members and they were questioning the speed that EEA is getting new services completed. They feel that it is taking too long for our engineering technicians to get jobs done. We are currently about eight to ten weeks out. Dellinger explained that we are still trying to determine if we are going through sustainable growth and if we need to hire an additional engineering technician. A conversation was had on the time it takes to get new employees trained and using a third-party contractor to help get us caught up.

Robinson asked about the Love's Truck Stop DC fast charger discussion. Dellinger stated that a meeting is set up for later in June. A discussion was had on the EV charger that they want to install and the usage of other EV chargers within our service area.

Attorney: Denning provided a written report. He stated that he did some additional investigation into the Sorensen easement issue, and he will discuss it in executive session.

Tri-State: Fetterman reported on the Tri-State meeting. He stated that there was a lot of discussion regarding the budget as well as the Tri-State rate increase that will begin in January 2024. To accommodate the filing of the 2024 wholesale rate with FERC, the budget process occurred earlier in 2023. The board did approve the budget for 2024.

CREA: Archibeque reported that he did not attend this CREA meeting. He stated that he went to the Annual Meeting for San Miguel in Power in Ridgeway, and he will be attending the annual meeting at San Luis Valley. He said that San Miguel has developed a fleet of drones to help with their fire mitigation that he found to be interesting.

Western United: Barry reported on the Western United meeting. He stated that they continue to be a strong, solid company.

Utah Rural Electric Cooperatives Association: Barry reported on the URECA meeting. He discussed that URECA will be putting an informational program together about some of the misunderstandings about solar and wind generation. The goal is to bring this program into schools. Next meeting will be in Bryce Canyon, and he plans on attending.

FastTrack: Report will be in executive session.

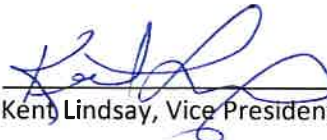
Committees: Barry passed out the EEA scholarship awards at the Dove Creek and the Monticello graduations. Archibeque passed them out for Dolores and Lindsay passed them out for Montezuma-Cortez.

Executive Session: Robinson moved to go into executive session to discuss the FastTrack report and proposal and the Sorensen easement issue, seconded by Barry. Motion carried. Ted Compton with FastTrack was invited into a portion of the executive session. Went into executive session at 11:44 a.m. Came out of executive session at 1:56 p.m.

Action Item: Consider FastTrack Proposal: Archibeque moved to authorize and delegate authority to Josh Dellinger, in his position as General Manager, to negotiate, finalize, approve, and execute a Share Purchase Agreement and ancillary documents pertaining to the sale of shares held by Empire Electric Association in

FastTrack Communications, Inc. within the parameters discussed during the Executive Session conducted on June 9, 2023, and subject to legal review, seconded by Butler. Motion carried.

Adjournment: Meeting adjourned at 1:58 p.m.



Kent Lindsay, Vice President



Jerry Fetterman, Secretary/Treasurer