

EMPIRE ELECTRIC ASSOCIATION, INC.  
MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
JUNE 14, 2024

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, June 14, 2024, with the following directors present: David Sitton, Jerry Fetterman, Bob Barry, Larry Archibeque, 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, Member Engagement Manager Andy Carter, and System Engineer Dalton Randolph. Appearing by web conference: Director Jerry Fetterman. Absent is Director Norman Butler. Director Kent Lindsay arrived during the executive session at 11:09 a.m.

Others present in person: Member Bill Mollenkopf.

Others present by Web Conference: Member Emiko South.

President Sitton 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 Robinson. Motion carried.

Membership Input: None

Monthly Safety Report: Dellinger stated that there were no personal injuries or property damage. A safety summary is in the board packet. Our onsite RESAP inspection will take place later this year. This is an evaluation of our safety program and happens every three years. We currently are conducting our CPR / First Aid classes. The safety luncheon will be held September 12<sup>th</sup> which the board is invited to. Sitton reminded staff and board how quickly an accident can happen, and everyone should continue to be aware of their surroundings whether they are at work or not.

Correspondence:

- Federated Monthly Update
- Western United Patronage Report

Thank you letters:

- Imagination Library – Karen Sheek for annual donation and support for the matching Basin Donation.
- Broc Imel for the scholarship to Lineman School.

Policy Review/Action:

Policy 13: Activities and Conduct of Individual Board Members (06-10-2022): Dellinger stated that staff and legal reviewed Policy 13 and no edits are suggested.

Policy 14: General Legal Counsel (07-08-2022): Dellinger stated that staff and legal reviewed Policy 14 and no edits are suggested.

### General Manager Report:

Strategic Planning Update: Dellinger mentioned that the quarterly strategic planning update is in the packet for the board to review. He updated the board as follows.

- **Grant funding:** We have applied for various grants to benefit our system. We already received a grant to enhance our cyber security posture. Our applications to underground lines in forested areas, implement advanced vegetation management practices, and upgrade reclosers and controls are all moving forward in the process. We will continue to apply for other projects that will benefit our system.
- **Member engagement:** We updated our process for planned outage notifications, which has helped eliminate the potential for errors associated with manually sorting calls. We also conducted a media campaign to reiterate that we do not endorse certain solar installers over others; we did this in response to member feedback that one installer was implying that they were working with us and that we endorsed them. And we also continue to develop fact sheets to arm our employees with pertinent information on relevant issues that our members are inquiring about.
- **Combined campus:** We developed a conceptual design and cost estimate. We received bids from several contractors. We have the 801 N. Broadway property listed for sale.
- **Power supply:** FERC issued its Contract Termination Payment (CTP) order and Tri-State applied that order as it understands it. Tri-State has also filed both its new rate and its Bring Your Own Resource (BYOR) program with FERC. No word yet from FERC on those filings. We have approached Sun Bear for a BYOR proposal. Dellinger has asked a few times but has not received any numbers yet.
- **FastTrack:** Will be discussed in executive session.
- **Adequate system capacity to meet load growth:** An EEA working group consisting of representatives from multiple departments has met several times over the past year to develop a methodology that will allow us to share in the costs of member-initiated projects that will provide benefit to the overall system. We finalized a methodology. **Policy 18: Facilities Extension and Modification** will need to be updated to incorporate the edits that will allow EEA to share in the costs of beneficial projects. The membership will need to be notified of the changes with the new methodology and the new policy will become effective on August 1, 2024.

**Action Item:** Consider updates to Policy 18: Facilities Extension and Modification (10-11-2019): Dellinger discussed the changes to this policy and answered questions from the directors. Archibeque moved to approve Policy 18 with the suggested edits, seconded by Robinson. Motion carried.

**Action Item:** Consider 800 N. Broadway Property Sale Contract: Dellinger explained that putting this property up for sale generated quite a bit of interest. We had four solid offers, two for the asking price and two for above the asking price. We accepted the highest offer as the primary contract and the second highest as a backup contract, with both contingent upon board approval. The contract is in the board packet. Dellinger noted that we need to request a two-week extension on the closing date due to us needing more time to remove our items from that property. The Board has concerns about the potential impact of the use of the property and what it would do to the value of the headquarters property. Archibeque moved to accept the second offer as the primary contract, this motion died due to a lack of a second. The board continued to discuss the potential use of that property and received advice from our attorney. Robinson moved to approve the 800 N. Broadway Property Sale Contract to the highest bidder as the primary contract and the second as the backup contract with the closing date extension, seconded by Archibeque. Motion carried.

**Financials:** Johnson reported on the financials for April. She stated that we are on the same trend as we have been all year. We are slightly under budget in revenue. Tri-State did file their rate tariff with FERC and are

hoping to make that effective date in July or August. We have over collected purchase power through the PCA in 2024 because of the delay in Tri-State's rate implementation and we may have to amend the PCA tariff in order to account for the true-up process, and she will present that to the board possibly in September.

Miscellaneous: Dellinger stated that the Contract Committee for Tri-State will start up again in September. Dellinger mentioned that the board requested that we place an article in the Colorado Country Life regarding EEA keeping our power affordable. Carter did an article showing how EEA ranks among other Colorado cooperatives. There is a copy in the board packet of that article.

Dellinger reminded the board that the Annual Meeting will be next Thursday, June 20<sup>th</sup>. Registration starts at 4:30 p.m. and the meeting starts at 5:30 p.m. Butler was on schedule to do the opening prayer and since he will not be there. Archibeque volunteered to say the prayer.

Director Roundtable: Robinson stated that he watched the CREA online seminar about the Southwest Power Pool. He stated that there will be a recording if anyone would like to watch it. He also wanted to let the board know that he would be interested in being the Tri-State representative, since Fetterman will be stepping down. He also mentioned that FERC had an initial decision against Basin on a rate case. Tri-State was specifically mentioned and they should get a refund. The ALJ ruled that Basin was discriminating against Tri-State in their rates because they had a 2050 contract with Basin and other members had a 2075. Robinson will send the link to this for the board to review if they would be interested.

Attorney: Denning provided a written report in the board packet. He worked on contracts and agreements this month. He also worked on a real estate boundary issue that has been resolved.

Tri-State: Fetterman reported on the Tri-State Board meeting. He stated that Tri-State purchased two solar projects. The 110 MW Dolores Canyon Solar and the 145 MW Axial Basin Soar project. The 200 MW Escalante Solar project is now delivering power for the membership and is performing well. With the generation of Escalante Solar, Tri-State reached a new renewable energy penetration record of 87.2%. Fetterman mentioned that he will be stepping down as the Tri-State Representative. Bring Your Own Resources (BYOR) tariff has been filed with FERC. Fetterman thanked the board for supporting him.

CREA: Archibeque stated that the next board meeting is next week, so he does not have a report. There is an executive meeting this afternoon. He will be attending San Isabel, Grand Junction and La Plata's annual meetings on behalf of CREA.

Western United: Barry stated that the meeting is coming up on June 20<sup>th</sup> which is the same day as our annual meeting, so he won't be able to attend.


Utah Rural Electric Cooperatives Association: Barry was unable to attend this meeting, so no report was given.

Committees: A building committee meeting was held yesterday and will be discussed in executive session. Archibeque stated that the scholarship committee attended most of the graduations to present the scholarship awards and it went well.

Executive Session: Robinson moved to go into executive session to review the HQ Building Design Contract, FastTrack, and to receive legal advice, seconded by Barry. Motion carried. Went into executive session at 10:59 a.m. Came out of executive session at 11:47 a.m.

**Action Item:** Consider the New HQ Building Design Contract: Robinson moved to authorize Josh Dellinger to negotiate a design build agreement with Tri-Hurst Construction with the terms discussed in closed session, seconded by Barry. Motion carried.

**Adjournment:** Meeting adjourned at 11:48 a.m.



---

David Sitton, President



---

Jerry Fetterman, Secretary/Treasurer