

EMPIRE ELECTRIC ASSOCIATION, INC.  
MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
March 13, 2025

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Thursday, March 13, 2025, with the following directors present: David Sitton, Kent Lindsay, Jerry Fetterman, Bob Barry, Larry Archibeque, Corey Robinson, and Bill Mollenkopf. Others present: General Manager Josh Dellinger, Executive Secretary / HR Representative Shawna McLaughlin, Financial Manager Ginny Johnson, Operations and Engineering Manager Ken Tarr, and Member Engagement Manager Andy Carter. Appearing by web conference: Business Service Manager Chris Snyder and Attorney Shay Denning.

Others present in person: Member Jeff Busic.

Others present by web conference: Member Sherry Duncan.

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

Approve Consent Agenda:

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

Membership Input: None.

Monthly Safety Report: Dellinger stated that there were no personal injuries or property damages. The full report is in the board packet.

Correspondence:

- NISC Capital Credit Summary.
- Federated Report from the Board – February 2025.

Thank you letters:

- San Juan Public Library for annual donation.
- Cortez Fire Protection District for annual donation.
- Worker's Compensation Coalition for annual donation.
- Pinon Project for donation from our employee auction.
- VFW in Dove Creek for help installing the new flagpole.
- Community Connections for annual donation.
- Egnar – Slickrock Fire Protection District for annual donation.

Policy Review/Action:

**Action Item:** Policy 32: Paid Time Off (04-08-2022): Dellinger stated staff and legal reviewed and have suggested edits. Staff recommend removing the new accrual schedule and placing all employees on the legacy schedule. This will eliminate the administrative complexity of having two schedules and narrow the gap from market for those employees trailing the most. Staff are also recommending removing the automatic payout language. This will allow

the employee to go to a payout request system. Robinson moved to approve Policy 32 as edited, seconded by Fetterman. Motion carried.

Policy 35: Board of Directors Regular Meeting Date (03-14-2023): Dellinger stated that staff and legal reviewed and there are no suggested edits.

General Manager Report:

**Action Item:** Consider Recipients for the CoBank Sharing Success Program: Dellinger stated that this year's CoBank Sharing Success program will open on April 1<sup>st</sup>. We may request matching donations for four charities. The minimum contribution is \$250, but the total not to exceed the limit of all matches has increased from \$10,000 to \$15,000. CoBank has increased their total program fund from \$5 million to \$6 million. Mollenkopf moved to approve Four Corners Child Advocacy, Hospice of Montezuma, Imagination Library, and the Salvation Army to receive the CoBank Sharing Success Program, seconded by Robinson. Motion carried.

**Action Item:** Select Election Judges for the 2025 EEA Annual Meeting: Dellinger stated that it is time to select election judges for this year's annual meeting. McLaughlin has contacted some of our members that are willing to serve as judges. These members are Elena Prickett – District 7, Mark Winkles – District 3, Greg South – District 6, and Alternate Judge, Nita Reddert – District 1. Lindsay nominated Prickett, Winkles, South, and Reddert as the 2025 Election Judges, seconded by Mollenkopf. Motion carried.

**Action Item:** Select Voting Delegate and Alternate for Tri-State Annual Meeting: Dellinger stated that the Tri-State Annual Meeting is scheduled for April 1 – 2, 2025, at the Omni Interlocken Hotel in Broomfield, CO. Archibeque moved to appoint Robinson as the Voting Delegate and Dellinger as the alternate for the Tri-State Annual Meeting, seconded by Mollenkopf. Motion carried.

**Action Item:** Consider the 2024 1120-POL Tax Form: Dellinger explained that we must submit this form because we donate to CREA's CARE program, which is considered a political organization. We also donate raffle items to support URECA's PAC, but those items do not cost us anything, so they are exempt from taxes. Robinson moved to approve the 2024 1120-POL Tax form, seconded by Barry. Motion carried.

**Action Item:** Consider the Annual Kinder Morgan Reconciliation for 2024: Dellinger stated that per our contracts, we charge Kinder Morgan (KM) and Cortez Pipeline Company (CPC) monthly customer charges intended to produce a TIER of 3.0. We base the customer charge on our annual budget and then true up to actuals at the end of the year. This year, we owe KM and CPC owe us. Fetterman moved to approve the KM Reconciliation, seconded by Robinson. Motion carried.

**Action Item:** Consider the Annual Cortez Pipeline Reconciliation for 2024: Robinson moved to approve the CPC Reconciliation, seconded by Lindsay. Motion carried.

Financials: Johnson discussed the financials for January. She stated that January showed the highest retail MCP/TPP she has seen. She explained how this affects the budget variances. She went over the budget variances and explained them. Johnson mentioned that she handed out the form for the 990 questionnaires to each of the directors. She asked the directors to complete that and return it to her by the end of March. She spoke about grant funding. She stated that she submitted a reimbursement request to the State of Colorado for the advanced grid monitoring grant for the vegetation management plan and we did get that reimbursement. The State of Colorado sent a letter telling us to continue to meet all the grant requirements and timelines but not spend any money. We will continue to see how the next month or so goes before we spend money on grant funded projects. She has reached out to the State of Utah, and they don't have anyone on the DOE side to help with that grant, so

we do not have a contact for that undergrounding project yet. The High Desert Conservative District has agreed to be a fiscal agent for us to pursue a grant to underground a portion of lines along the Dolores River. We will likely focus on the area between Dolores and the West Fork. This is a Colorado funded grant through insurance companies' fees from their policies. The money is only available to local governments or special districts so that is why we will be going through the High Desert Conservative District. Johnson submitted a concept paper under the ERA program. This is a project for underground and distribution line transformers. We are not sure if this program will be funded or not, but we proactively submitted an application.

Miscellaneous: Dellinger stated that the capital credit retirement refunds will be going out this month. The strategic planning session has been scheduled for April 30<sup>th</sup> and May 1<sup>st</sup>. A pre-planning survey from CFC, who is serving as the facilitator, was sent out to the key staff and the directors to complete. Dellinger mentioned that there is a possible conflict of the dates with the NRECA legislative conference. A couple of directors had mentioned that they may want to attend that conference. If they still want to attend, Dellinger has asked CFC if they could change the dates. Sitton and Lindsay both stated that they are wanting to attend the NRECA conference and would like to go ahead and change the dates to May 1 and 2, 2025. Dellinger will contact CFC to re-schedule.

We had a recent inquiry from a communication company about leasing space on our tower at the Monticello warehouse. We have no issues with doing this if the board doesn't have any concerns. The consensus from the board is that if we don't have any issues because of it, they are okay looking at a possible lease. Dellinger will further explore this option.

Dellinger asked the directors what we want to call the new building. We are starting to publicize this to our members, and we need to figure out what we will be calling it. Directors suggested names like Member Services or Headquarters but they don't have strong feelings so staff will select the name. We will continue to call it the Member Services building.

Board election season will be kicking off. Candidates can pick up their petitions beginning on March 21<sup>st</sup>.

On a somber note, Dellinger mentioned that Orly Lucero passed away and his services will be held on March 21<sup>st</sup> at 10:00 a.m. at the Cortez Recreation Center. Orly was a long-time employee of Empire Electric.

Director Roundtable: Fetterman announced to the board that he does not attend to run for re-election. He has served on the board for 18 years. The directors thanked Fetterman for all his years of service on the EEA Board. Sitton mentioned that last month his company Aspen Wallwood had a meeting with Empire's staff regarding a power study. The State of Colorado has a program to replace diesel power with electricity. This is an effort to reduce emissions. Tri-State paid for two power studies/audits. During the process, EEA staff discussed his company's power factor. They operate at a lower power factor, and they pay significant power factor adjustment charges each year. He discussed with the EEA employees how he could manage power factor, and they told him there was nothing he could do in terms of operating his equipment but instead he would need to install additional equipment to correct his power factor. He stated that he would like EEA to be better equipped to provide advice and information to large loads about how they can reduce their power bills. Dellinger gave a definition on what power factor is and why we have adjustment charges. Sitton mentioned that there is an opportunity here to provide better service to members. Sitton noted that we should consider starting a key accounts program to ensure we are taking care of our significant loads. Carter mentioned that this conversation could be discussed in strategic planning because this would entail hiring a key account manager. Consensus was that this be a topic of discussion at strategic planning.

Fetterman stated that a member questioned him about a bill. He stated that he couldn't answer her questions, so he is worried that people don't understand their bills. Dellinger stated that we periodically publish articles in Colorado Country Life that explain the bills. Carter stated that there is also an explanation on the EEA website that explains how to read the bill. Dellinger mentioned that we could put a blurb on the bill directing members to the

website to better understand the components of the bill. Member education could be another topic for strategic planning.

Robinson stated that he has been talking to local electricians. He mentioned that they told him that EEA used to have luncheons with the electricians to help them understand the changes that EEA has made. He is wondering if we could possibly do more communication to the electricians, as well as the members. Dellinger stated that this is something we've done in the past when we've made significant changes, but we haven't done one since our last rate structure change.

Attorney: Attorney Shay Denning stated that her report is in the packet. She stated that she has reviewed license agreements with Tri-State. She mentioned that she has been having issues with receiving emails. She will start responding to her emails by letting us know that she received them. If we don't get that response from her, she asks that we call her.

Tri-State: Robinson reported on the Tri-State Board meeting. He went on a trip to DC to lobby for the New ERA funding. The Colorado Republicans have agreed to call USDA Secretary Brook Rawlins to see if they can get that funding released. The push for reforming wildfire liability passed through the legislature in Wyoming and was signed by the governor. The bill offers similar protections to the Utah bill passed several years ago. Tri-State updated their strategic plan. Tri-State will focus on two areas in this future strategic plan: (1) the long-term financial health of the organization; and (2) rate stabilization. There was a discussion about handling United Power's forfeited patronage. The board decided to allocate the United patronage capital to the rest of the members based on 2024 loads and to put the allocations in a separate bucket. New Mexico members were concerned about receiving their allocations sooner. There seemed to be confusion between allocations and retirements. They watched a video regarding vegetation management on the CO2 loop in the EEA territory. Robinson was elected Vice Chair for the External Affairs and Member Relations committee. Dellinger mentioned that the high impact load tariff will be considered in April and filed with FERC in May. The demand response tariffs will require integration with Tri-State DERMS, not only for EEA but also the end use members so that Tri-State can monitor loads and send signals. Once the final tariff is available, we will see what that entails and how we can use this. Fetterman asked Robinson if he could give an update on the Dolores Canyon Solar project. Robinson stated that it is still in the building stage. His understanding is that it will be commercially operating by the new year.

CREA: Archibeque reported on the CREA meeting. He attended the CREA meeting and three executive committee meetings. The CREA board approved associate memberships. They stated that non-coop members must be invited to a meeting, and they will not have a seat on the board or voting power. They looked at the process to recruit a CEO to replace Kent Singer. They had a few bids from private companies to do the recruitment for that position. There is information regarding the legislative sessions in the board packet. He discussed some of the bills that are being discussed. They also discussed the building relocation. They are deciding what the needs of a new building will be and what they will need to finance the new building.

Western United: Barry reported on the Western United meeting. Barry asked Tarr if he had any issues. Tarr stated that they had to change their representative from the one in Farmington, New Mexico to the one in Denver and that didn't make a lot of sense, since Farmington is closer. We have had a personal touch with Pat Valdez and now they will be changing. Barry will mention this to them. He also stated that Western United is building another facility in Arizona.

Utah Rural Electric Cooperatives Association: Barry reported that he will be going to the meeting next week. The annual meeting will be held in April, and they are offering director training. The courses are on Tuesday, April 15<sup>th</sup> and the Annual Meeting will be held on April 16<sup>th</sup>.

Committees: The Scholarship Committee met to review all the scholarship applications. The below recipients were selected to receive scholarships for 2025. Archibeque mentioned that he has concerns with the rubric that they are using to evaluate the applications. Sitton mentioned that, as a committee, it is up to the committee members to review that policy and make changes that they see fit. A discussion was held on how we can get more involvement from some of the schools whether it be talking to the principal or the school board. There was also discussion that there is no consistency in the applications regarding the need portion of the scholarship application.

**Montezuma-Cortez High School - \$1000**

- Abraham Hafner
- Benjamin Hoffman
- Catherine Hoffman
- Emily Howell
- Atticus Keel
- Samson Lein
- Luna Moore
- Leopold Morey
- Kendall Simmons

**Dolores High School - \$1000**

- Samatha Abate
- Alexis Anderson
- Keira LaRose
- Siena Parr
- Isla Vaughn

**Dove Creek High School - \$1000**

- Ralynn Hickman
- Aspen Nye

**Mancos High School - \$1000**

- Teagan Archer
- Lucas Figueroa
- Piper Franks
- Sarah Knezek

**Monticello High School - \$1000**

- Kyleigh Adair
- Ayla Carling
- Cambree Chamberlain
- Coral Delorenzis
- Kaden Pehrson

**Home School - \$1000**

- Jessica Alexander

**Basin Scholarship - \$1000**

- Spencer Eschallier (Mancos High School)

**Lineman - \$1000**

- Taber DeJane (Dove Creek High School)
- Lian Hassell (Dove Creek High School)
- Marley Linch (Montezuma-Cortez HS)
- Colby McMillian (Montezuma-Cortez HS)

**Trade Related (None)**

**Tri-State Scholarship - \$1000**

- Randi Lewis (Mancos High School)

**Adult Scholarships - \$1000**

- Adrian Atene
- Jessica Ayers
- Devonne Kingery
- Aimie Martinez
- Isaiah Martinez

**Empire Employee/Director Dependent - \$1000**

- Sheldon Gardner

- **51 Completed applications were received.**

- **1 Adult Application was disqualified due to incomplete, and her name was not on account. Contacted her by email and spoke to her on phone.**

- **2 Dove Creek Scholarships and 1 Home School Scholarship were awarded to highlighted students due to not having enough applicants from those schools.**

**Action Item:** Consider the 2025 Scholarship Award Recipients: Mollenkopf approved the above listed 2025 Scholarship Award Recipients, seconded by Barry. Motion carried.



Executive Session: Lindsay moved to go into executive session to discuss the Monticello Franchise Agreement, BYOR Contracts, HQ Property Sale Contract, Tri-State, FastTrack, and to receive legal advice, seconded by Barry. Motion carried. We went into executive session at 11:22 a.m. Recessed for lunch at 12:30 p.m. and returned at 1:00 p.m. Tri-State representatives Duane Highley, Chief Executive Officer, Bob Frankmore, Chief of Staff, Tim Rabon, Tri-State Board Chairman (Otero County Electric Cooperative), Cloudcroft, NM), Chris Pink, Sr. V.P. of Operations, Jay Sturhan, Sr. V.P. and General Counsel, and Michelle Pastor, Member Relations Manager - Colorado joined the executive session at 1:05 p.m. Came out of executive session at 3:00 p.m.

Adjournment: Meeting adjourned at 3:00 p.m.



David Sitton, President



Jerry Fetterman, Secretary / Treasurer