

EMPIRE ELECTRIC ASSOCIATION, INC.  
MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
March 10, 2023

Regular meeting of the board of directors of Empire Electric Association, Inc. was held Friday, March 10, 2023, with the following directors present: David Sitton, 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, and Operation and Engineering Manager Ken Tarr. Attending by web conference: Business Service Manager Chris Snyder.

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

Approve Consent Agenda:

**Action Item:** Fetterman moved to approve the consent agenda as presented, seconded by Lindsay. Motion carried. One spelling correction was made on the agenda. Under the General Managers section, number 4 should read, consider contacting representatives regarding Tri-State WAPA allocations instead of contracting representatives.

Membership Input: None

Monthly Safety Report: Dellinger stated that there were no property damages and one personal injury report. An employee slipped and fell on the sidewalk during the snow storm. Bruising occurred but there was no need for medical attention. Summary for the Safety meetings were in the packet.

Correspondence:

- EEA received a LED rebate from Tri-State
- CRC's Fiscal Year 2022 Dividend Allocation
- NISC Capital Credit Summary
- Federated Report from the Board
- Federated Member Update for February 2023

Thank you from:

- Canyon Country Discovery Center for annual donation.
- Hospice of Montezuma for annual donation.
- Egnar – Slickrock Volunteer Fire Department for annual donation.

Policy Review/Action:

Policy 31: Campaign Contributions Reporting (01-08-2021): Dellinger stated that staff and legal reviewed the policy and no edits are suggested.

Policy 35: Regular Meeting Date (02-12-2021): Dellinger stated that staff and legal reviewed the policy and no edits are suggested.

General Manager Report:

**Action Item:** Select Election Judges for EEA Annual Meeting: Dellinger explained that the election judges for the 2023 EEA Annual Meeting have to be nominated three months prior to the meeting. McLaughlin has put

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together a list of election judge nominations. She contacted each one and they are willing to serve. Lindsay moved to nominate Elena Prickett – District 7, Ruby Gonzales – District 4, Mark Winkles – District 3 and alternate judge Nita Reddert – District 1 as election judges for the 2023 EEA Annual Meeting, seconded by Butler. Motion Carried.

**Action Item:** Select CRC Voting Delegate: Dellinger mentioned that CRC has an upcoming board election and CRC's elections are done entirely through mail-in voting. Dellinger has served as the voting delegate in the past and would continue to do so if the board desires. Lindsay moved to appoint Dellinger as the voting delegate, seconded by Robinson. Motion carried.

**Action Item:** Select Tri-State Annual Meeting Voting Delegate and Alternative: Dellinger stated that the Tri-State annual meeting is scheduled for April 4 – 5, 2023 in Denver. The board may select delegates for this meeting. Archibeque moved to appoint Jerry Fetterman as the Tri-State voting delegate and David Sitton as the alternate, seconded by Robinson. Motion carried.

**Action Item:** Consider Contacting Representatives Regarding the Tri-State WAPA Allocations: Dellinger mentioned that Tri-State cooperatives, including EEA, voluntarily signed over their WAPA power allocations to Tri-State years ago. Now, United Power and Kit Carson are trying to take a portion of those allocations away from Tri-State. WAPA has determined that neither have a right to do so. Thus, United and Kit Carson have been lobbying senators to put pressure on WAPA to change its mind. EEA joined with 20 other Tri-State cooperatives to write a letter to those same senators explaining why WAPA's current assessment of the situation is appropriate. Dellinger is recommending approval from the board to allow him to sign this support letter. Lindsay moved to approve supporting this letter, seconded by Archibeque. Motion carried.

**Action Item:** Consider Annual Kinder Morgan (KM) Reconciliation Statement for 2022: Dellinger explained that we develop a monthly customer cost for both KM and Cortez Pipeline (CPC) each year. At the end of the year, we reconcile to actual use. Johnson explained why we owe a refund to KM this year. The refund to KM is \$289,299.54. Fetterman moved to approve the KM Reconciliation Statement, seconded by Robinson. Motion carried.

**Action Item:** Consider Annual Cortez Pipeline Reconciliation (CPC) Statement for 2022: CPC's net due to EEA is \$19,764.37. Fetterman moved to approve the CPC Reconciliation Statement, seconded by Robinson. Motion carried.

**Action Item:** Consider the 2022 1120-POL Tax Form: Dellinger explained that this form is the tax form that we have to file because we donate to the CARE and URECA PAC committees, which are political activities. Robinson moved to approve the 2022 1120-POL tax form, seconded by Butler. Motion carried.

**Strategic Planning Update:** Dellinger updated the board on the Strategic Planning goals.

- Staff has developed a website estimator tool that members can use to estimate project costs. We anticipate this tool helping to streamline the estimating process so that we can get projects done for our members faster.
- We are also discussing how EEA can share costs for member-driven system improvements that will benefit the entire system and have developed a possible approach. The Board would like staff to do a financial analysis on this to see what the financial impact will be on the cooperative.
- We have implemented system minimums for conductor and transformer sizes to help us gradually increase our system capacity.
- We are applying for grant funds for system improvement projects.

- We are becoming more proactive in our communications efforts. We are developing Fact Sheets on key issues so that the board and employees can have quick reference tools when visiting with members.
- We plan to have an on-site meeting with Brookie Architecture out of Durango in the near future to evaluate the feasibility of moving the HQ to the E&O campus.
- Staff continues to monitor the FERC Contract Termination Payment (CTP) docket. We anticipate a FERC decision in early summer. The only recent development has been a filing from Tri-State. They filed an edit to the CTP tariff on February 14<sup>th</sup> that would make it clear that any requests to withdraw from Tri-State are binding. It would also make it clear that if the member chose to stay after submitting an exit request, then the member will be responsible for all costs Tri-State incurred to re-account for the member's load. FERC has not ruled on this amendment yet.

**Financials:** Johnson reported on the financials for January. We are currently overbudget in revenue. Johnson explained that we have replaced some of the streetlights with LED's which led to lower use in the street light section of the budget. We are under budget in irrigation by 20%. Distribution expense is over budget due to the outages that we had in January. EEA continues to be financially sound.

**Miscellaneous:** Dellinger mentioned that the board candidates can begin picking up petitions on March 17<sup>th</sup> and they need to be turned in by April 17<sup>th</sup>.

Dellinger will be giving an overview of EEA to the City Council on Tuesday, March 14<sup>th</sup>. Our franchise agreement with the City of Cortez will expire the end of the year.

Dellinger mentioned the CAMU rating and commented on how EEA has improved over the last several years in this rating.

Robinson asked Dellinger to elaborate on the direct assignments issue with Tri-State, which Dellinger did.

Director Roundtable: Fetterman asked if we could get figures of how many net metering customers we have. Dellinger stated that we can start putting the number of net metered accounts in the board packet.

Lindsay mentioned that the Cortez hydro plant is decommissioning.

Sitton mentioned that his company was approached by the Forest Service about purchasing installing a cogeneration unit that would dry wood products and also generate power.

Attorney: Denning provided a written report. He continues to work with Lumen. They are wanting to start over with our standard pole attachment agreement as the basis for future negotiations.

Tri-State: Fetterman reported on the Tri-State meeting. He stated that Duane Highly would like to come meet with the Board during one of our board meetings. Dellinger will contact Highly to set that up. He spoke about Tri-States performance review and their financials. The rate design committee came up a rate proposal and they are moving forward with it. Barry mentioned that he toured the Tri-State facility, and he was impressed with the workings of it.

CREA: Archibeque reported on the CREA meeting. He discussed that CREA brings numerous positive aspects to the different cooperatives. He spoke about the safety and loss program. Archibeque thanked the other board members for attending the CREA annual meeting with him. Barry mentioned that Archibeque is becoming a highly respected board member of CREA.

Western United: Barry reported on the Western United meeting. They continue to be well managed, they are doing a good job keeping inventory in stock and they continue to grow.

Utah Rural Electric Cooperatives Association: Barry stated that the meeting is next week which he will be attending. The legislative session just ended.

FastTrack: Report will be in executive session.

Committees: The scholarship committee met on February 20, 2023 to select the scholarship award recipients. The selected recipients are:

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

- Lexie Burton
- Gabriel Crowley
- Farrar Desloge
- Ashlynn Hall
- Evan Lamunyon
- Lizabeth Likes
- Megan Schmalz
- Jayden Thomason

Trade Related – None

**Dolores High School - \$1000**

- Braden Boyd
- Emma Briggs
- Taylor LaRose
- Madison Shubert

Trade Related – None

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

- Trista Barnett
- Alexa Gray
- Kade Hankins

Lineman - \$1000

- Kendall Gardner
- Cole Taber
- Tanner Williams

**Mancos High School - \$1000**

- Riley Cannon
- Sophie Eschallier
- Lilly Bell Figuera
- Madilynn Ritter
- Breanna Tankersley

Trade Related - \$500

- Benny Lewis

**Monticello High School - \$1000**

- Regan Gill
- Brianna Lee
- Yanba Lee
- Ammon Petersen
- Easton Young

Trade Related - \$500

- McKay Mitchell

**Basin Scholarship - \$1000**

- Quinn Maness (MCHS High School)

**Tri-State Scholarship - \$500.00**

- Amy Lewis (Monticello High School)
- Shelby Jabour (Mancos High School)

**Adult Scholarships - \$1000**

- Kierstan Anderson
- Julie Atwood
- Talissa Bahr
- Leticia Camis
- Katti Gardner
- Jasmine Martinez

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

- Izabella Balfour
- Emmry Wilcox

- 19 Completed applications were received.
- 35 Application were reviewed for scoring by the committee.
- 7 Applications were incomplete and left in draft state on the website.

**Action Item:** Consider Approving the Scholarship Award Winners: Lindsay moved to approve the list of scholarship recipients as presented by the Scholarship Committee, seconded by Robinson. Motion carried. The committee requested that staff reach out to the local schools to see what the student population of each school

is. The committee can look at those numbers and possibly update the number of scholarships given to each school as set per the policy. Sitton recommended that the scholarship committee review the policy and determine if the policy should be revised to consider homeschooled students as well as students not going to an accredited college. Fetterman will schedule a meeting in the near future for the committee to review this policy.

Executive Session: Archibeque moved to go into executive session for discussion of FastTrack, seconded by Butler. Motion carried. Went into executive session at 10:36 a.m. Came out of executive session at 11:00 a.m.

**Adjournment:** Meeting adjourned at 11:00 a.m.



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David Sitton, President



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Jerry Fetterman, Secretary/Treasurer