

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
May 10, 2024

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, May 10, 2024, with the following directors present: David Sitton, Kent Lindsay, Jerry Fetterman, Bob Barry, Larry Archibeque, and Norman Butler. 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 by web conference: Director Corey Robinson and Business Service Manager Chris Snyder.

Others present by Web Conference: Member Emiko South and Ken Curtis

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 Lindsay. Motion carried.

Membership Input: None

Monthly Safety Report: Dellinger stated that there were no personal injuries and there was no property damage. A summary of the safety meetings is in the board packet.

Correspondence:

- CARE Donation Request
- Federated Monthly Update
- CFC Cooperative System Integrity Fund

Thank you letters:

- Students Tackling Unhealthy Decisions (STUD) for annual donation.
- Barbara Gail Perkins for the scholarship.
- Coleman Hoover for the scholarship.
- Mrs. Garland's 5th grade class at Kemper Elementary for the safety presentation and the bucket rides.
- Matthew Podgornoff and family for the plant sent to his brother in law's service.
- Home & Garden Show for our platinum sponsorship.

Policy Review/Action:

Policy 11: Delegation of Authority from the Board of Directors to the General Manager (05-13-2022): Dellinger stated that staff and legal reviewed Policy 11 and no edits are suggested.

Policy 12: Director Election and Voting (06-10-2022): Dellinger stated that staff and legal reviewed Policy 12 and no edits are suggested.

General Manager Report:

Action Item: Federated Subscriber's Agreement and Power of Attorney: Dellinger explained the Federated Subscriber's Agreement and Power of Attorney. This is a document that Federated Insurance has updated, and it allows Federated to secure cost-effective insurance contracts for EEA. Our attorney has reviewed it, and staff is recommending approval by the board. Barry moved to approve the Subscriber's Agreement and Power of Attorney as presented, seconded by Lindsay. Motion carried.

Action Item: Consider Mancos' Franchise Agreement: Dellinger stated that the Town of Mancos' Franchise Agreement expires this summer and will need to be renewed. There are a handful of changes to the agreement, and he explained those changes. This is a ten-year agreement with an optional 10-year renewal. Lindsay moved to approve the Mancos Franchise Agreement as presented, seconded by Butler. Motion carried.

Action Item: Consider Ratifying the 2023 Margin Allocation: Dellinger stated that margin allocation worksheet is in the packet. This breaks out how our 2023 margins were allocated and notes revenues that were not allocated. The board discussed and agreed that we should not allocate interest income or our gains on the FastTrack and Totten property sales, and those things were excluded from the capital credit retirement scenario the board approved in February 2024. However, when compiling information for our upcoming annual meeting, we realized that the retirement scenario the board approved did not explicitly note that these revenues were excluded. Their exclusion is implicit because they were not included; however, staff is asking the board to ratify the 2023 Margin Allocation Worksheet so that these exclusions are more clearly memorialized in our board records. Archibeque moved to ratify the 2023 Margin Allocation as presented, seconded by Lindsay. Motion carried.

Consider the CFC Voting Delegate and Alternate for Annual Meeting: Dellinger mentioned that the CFC Annual Meeting will be held on June 17, 2024 in Indianapolis, Indiana. None of the board members will be attending the CFC meeting, therefore, no voting delegate will be needed.

Financials: Johnson reported on the financials for March. Johnson stated that we have had 29 new services built so far this year. The financial ratios are still within our goals. She spoke about some of the variances that are showing in the financials and what drives those variances. We continue to be very close to the budget. The Board discussed the Tri-State rate increase and how it not being approved is affecting the budget and how those rates can be recovered by Tri-State through a true-up.

Miscellaneous: Dellinger mentioned that the annual meeting will be held on June 20th. Ballots will be going out next week. Butler will be doing the prayer and Barry will do the pledge.

Director Roundtable: Archibeque mentioned that the directors who attend the high school graduations to present scholarships are representing EEA. He said that since they are representing EEA, he would like them to be provided gas mileage and per diem to go to these presentations. Barry mentioned that he feels that it is important that EEA is represented by a board director and agrees with Archibeque. Sitton stated that past practice has been that the school activities have been voluntary. Dellinger went over Policy 15: Director's Compensation. The Board consensus is that the board will get paid per diem and mileage for the scholarship awards and this will be submitted via an expense report.

Attorney: Denning provided a written report in the board packet. He worked on the listing contract.

Tri-State: Fetterman reported on the Tri-State Board meeting. He mentioned that they approved the Dolores Canyon solar facility. Dellinger stated there was a public meeting about the Coyote Gulch Solar project. They

have secured an interconnection with Tri-State, but they do not have a PPA with Tri-State at this time. Fetterman stated that there was a discussion on wildfire insurance and how the rate was increased to double the premium. There was a discussion about how Tri-State plans to use the money they received from the United Power buyout and the grant money they plan to receive. Fetterman also stated that there was discussion regarding the Bring Your Own Resource (BYOR) Program, and it was voted on and approved by the Tri-State Board. They also had a discussion on the rate filing with FERC. They are hopeful to get approval from FERC by July 1st, but August 1st is probably more likely.

CREA: Archibeque reported on the CREA Board meeting and the joint board and managers meeting. He gave a legislative update and discussed CREA's plan for its JTS program next year. There will be a survey coming out soon for cooperatives to indicate which level of JTS service they prefer for 2025. Net metering and how CREA can serve its diverse membership were the two main topics of the joint board and managers meeting. Kent Singer will be at the EEA August Board Meeting as well as attending our Annual meeting in June.

Western United: Barry reported on the Western United meeting. He stated that Colorado has slowed down considerably in growth but WUE is still selling a lot of material for growth in other states. They have started to trim the inventory in Colorado. Tarr stated that there is still a delay in delivery of products like meter bases, transformers, etc.


Utah Rural Electric Cooperatives Association: Barry reported on the URECA Board meeting. He stated that the legislative session is over. He mentioned that Utah doesn't plan on shutting down any of the coal power plants and any baseload plants that are closed must be replaced with an equally reliable source. Health care expenses for Utah went up. Barry continues to be impressed by the way that Utah looks at energy.

Committees: None

Executive Session: Archibeque moved to go into executive session to review the realtor listing agreement for 800 and 801 N. Broadway properties, FastTrack, and to receive legal advice, seconded by Barry. Motion carried. Went into executive session at 10:31 a.m. Came out of executive session at 11:23 a.m.

Action Item: Consider Realtor Listing Agreements for 800 and 801 N. Broadway Properties: The board directed Dellinger to propose edits to listing agreement provided by the realtor. Dellinger will take the edited agreement back to the realtor.

Adjournment: Meeting adjourned at 11:24 a.m.



David Sitton, President



Jerry Fetterman, Secretary/Treasurer