

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
May 12, 2023

Regular meeting of the board of directors of Empire Electric Association, Inc. was held Friday, May 12, 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, and System Engineer Dalton Randolph. Attending by web conference: Business Service Manager Chris Snyder. Absent was President David Sitton.

Others present in person: Member Seth Sorenson

Others present by web conference: Member Emiko South and Member Jennifer Magnuson

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

Approve Consent Agenda:

Action Item: Robinson moved to approve the consent agenda as presented, seconded by Barry. Motion carried.

Membership Input: Member Seth Sorenson discussed the EEA easement on his property on Road 38.

Monthly Safety Report: Dellinger stated that there was no property damage or personal injuries reported. Summaries for the Safety meetings were in the packet.

Correspondence:

- Federated Member Update – April 2023
- Imagination Library Update
- Love's Truck Stop sent a letter asking EEA to reconsider our large power rate for the EV fast charger that they will be putting in south of town. EEA staff plans to meet with Love's in June.

Thank you from:

- Energy Outreach Colorado for annual donation.
- Child Advocacy Center Director Debbie Lovett sent a card thanking EEA for getting the power restored during the power outage that happened prior to their fund-raising event.

Dellinger stated that Director Fetterman has renewed his Director Gold Certification.

Policy Review/Action:

Policy 38: Inactive Employee Benefits (04-09-21): Dellinger stated that staff and legal reviewed the policy and no edits are suggested.

Policy 40: Alcohol and Drug (04-09-21): Dellinger stated that staff and legal reviewed the policy and no edits are suggested.

General Manager Report:

Action Item: Consider participating in the CFC Cooperative System Integrity Fund: Dellinger explained that each year CFC asks for contributions to their System Integrity Fund. The last few years we have donated 5% of our patronage capital refund and have designated it be used for territorial disputes only. The board has also made the past decision to have the contribution reviewed annually and not an automatic renewal. Archibeque moved to approve donating 5% of our patronage capital refund to be used for territorial disputes, seconded by Butler. Motion Carried.

Financials: Johnson reported on the financials for March. She explained that the timing of the revenue recognitions appeared in March's numbers, which balanced out the loss that showed in February's financials. Johnson explained the variances in our expenses through a graph she provided in the board packet. She discussed operating expenses and the variances in those. Financials continue to look good, and we continue to reach all of our financial goals. Johnson also updated the board regarding the GRIP Topic 2 application for grant funding. We received a letter of support from both Colorado Senators Bennet and Hickenlooper. She also confirmed that our application has been received, is complete and is in consideration. She will continue to keep the board informed of the grant funding as it becomes available.

Miscellaneous: Dellinger mentioned that EEA donated items to the flooding efforts in Dolores. Dellinger stated that we continue to have supply issues on large transformers. There is a substantial lobbying effort going on by a few Tri-State members in an effort to sway upcoming decisions at FERC. In an effort to share both sides of the story a support letter has been crafted that will be shared with the senators and US representatives whose districts include Tri-State cooperative territory. Dellinger plans to sign the support letter on EEA's behalf. Board agrees that EEA should sign this letter.

Director Roundtable: None.

Attorney: Denning provided a written report. He stated that it was a fairly quiet month. He reviewed the contract for electric service and made some suggested revisions. He continues to work with Lumen regarding the joint use agreements.

Tri-State: Fetterman reported on the Tri-State meeting. The meeting was held virtually this month. The budget included the Tri-State rate increases. A discussion was had with the board regarding these rates.

CREA: Archibeque reported on the CREA meeting. He highlighted on house bill 1282 protecting consumers from public utilities. This bill failed, which is a positive for cooperatives. Archibeque will not be attending the May meeting but will be attending several Colorado Cooperatives annual meetings on behalf of CREA.

Western United: Barry reported on the Western United meeting. They are expanding their business in New Mexico. They continue to be a very stable company.

Utah Rural Electric Cooperatives Association: Dellinger reported on the URECA meeting. He attended both the regular meeting and the annual meeting. He discussed some of the legislative bills that are going through Utah. One is a power quality standard that is being looked at to control voltage fluctuations on the transmission system. This will increase the quality of the distribution systems as well. The URECA Board also elected their officers.

FastTrack: Report will be in executive session.

Committees: Rate Committee meet on April 24, 2023. Dellinger stated that they reviewed the cost-of-service study. The committee tasked the staff to evaluate the rate classes with negative operating margin to see what it

would take to get them to at least zero margin. There will be another rate committee meeting on June 9, 2023 after the regular board meeting.

The Scholarship Committee will meet immediately after this board meeting.

Executive Session: Archibeque moved to go into executive session for the discussion of the easement on Seth Sorenson's property, the FastTrack report and proposal, seconded by Robinson. Motion carried. Went into executive session at 9:20 a.m. Came out of executive session at 11:19 a.m.

Adjournment: Meeting adjourned at 11:19 a.m.


Kent Lindsay, Vice President
Jerry Fetterman, Secretary/Treasurer