

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
NOVEMBER 11, 2022

Regular meeting of the board of directors of Empire Electric Association, Inc. was held Friday, November 11, 2022, with the following directors present: David Sitton, Kent Lindsay, Jerry Fetterman, Bob Barry, and Norman Butler. Others present: General Manager Josh Dellinger, Attorney Tyler Denning, Financial Manager Ginny Johnson, Operation and Engineering Manager Ken Tarr, System Engineer Dalton Randolph, Business Services Manager Chris Snyder, and Member Engagement Manager Andy Carter. Appearing by web conference were Directors Corey Robinson and Larry Archibeque and Executive Secretary / HR Representative Shawna McLaughlin.

Others present by web conference: Members Heidi Brugger and Emiko South.

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

Approve Consent Agenda:

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

Membership Input: No membership input.

Monthly Safety Report: Dellinger mentioned that there were no injuries. There was a truck stolen over the weekend. Unit 27 was stolen from the Nuchu Substation. The truck was locked in the substation and the person who stole it took the gate off the hinges, laid the gate down and went in and took the truck. This has been reported to authorities.

Correspondence:

Thank you cards from:

Taylor, Hannah, and Ali Barry for adding on to their animals at the San Juan County Fair.

A thank you from member Jean Oliver for Ron Russell's quick response and the excellent job he did for her.

Dellinger read a thank you from Brad Ray that was posted on Facebook.

Dellinger mentioned that he received correspondence from the Elks Lodge. They have a three-phase service with solar. They requested a special rate on their demand charge due to them being a nonprofit organization. Dellinger explained to them that we don't have special rates, but we will work with them by suggesting ways that they can reduce their demand charge.

Policy Review/Action:

Action Item: Policy 23: Financial Goals (9-11-2020): Dellinger explained that both staff and legal reviewed and we recommend two very minor clarifications regarding how we refer to CFC's and CoBank's DSC calculations. Fetterman moved to approve Policy 23 as presented, seconded by Butler. Motion Carried.

Policy 24: Savings Program (10-09-2020): Dellinger stated that staff and legal reviewed and there are no suggested edits.

General Manager Report:

Action Item: Consider the 2023 Budget: Dellinger stated that the final budget is in the packet for review. Johnson explained that the only changes from what was presented in the October meeting was that we are requesting an additional part time employee to be able to manage the DER applications. A DER fee was implemented in 2022 to help recover our costs. We currently have 85 applications in process, and those numbers are consistently growing. The additional fees from the applications will help supplement the expense of the part time employees wages. Lindsay moved to approve the 2023 Budget with the requested change, seconded by Barry. Motion carried.

Action Item: Consider the 2023 Kinder Morgan and the Cortez Pipeline Budget Filing: Dellinger explained that the budget filings are in the packet for board review. These filing determine what the customer charges will be by using methodologies defined in the SCS-1 tariff for KM and the SCS-2 tariff for the Cortez Pipeline. After approval both will be sent to KM, and the KM Budget filing will also be filed with the Colorado Public Utilities Commission per a 1986 order from the PUC. Butler moved to approve the KM and the Cortez Pipeline Budget filings as presented, seconded by Archibeque. Motion carried.

Action Item: Consider SCS 1 Tariff Update: Dellinger mentioned that the SCS-1 tariff sheets 10E and 10R are included in the packet for board considerations. Sheet 10E states the 2023 monthly customer charge, which has been calculated using the methodology outlined in the SCS-1 tariff. Sheet 10R is the updated 10-year load forecast that KM provided to EEA in September. Lindsay moved to approve the 2023 SCS-1 Tariff update, seconded by Robinson. Motion carried.

Financials: Johnson reported on the financials for September. She stated that financials continue to look good, and we continue to meet all of our financial goals.

Miscellaneous: Dellinger stated that we received the Employers' Council Packet survey we use to calculate wage increases for our union employees. The calculation resulted in a 4.475% increase. However, our Collective Bargaining Agreement (CBA) said that increases would be no less than 2% and no more than 4%. To allow our wages to keep up with market in this high inflation environment, we proposed a MOU that removes these upper and lower limits from the CBA. The employees have been very appreciative of this gesture. With the limits removed, they will receive a 4.475% increase for 2023.

Dellinger mentioned that all the solar projects are still on schedule. One Energy notified Dellinger that a company called Greenbacker will be the owner and operators of the systems. Sitton asked about the group that is opposing the solar project in Pleasant View. Dellinger stated that this is the Invergy project. Fetterman stated that he thinks the project has been paused.

Director Roundtable: None.

Attorney: Denning provided a written report. He stated that he doesn't have anything additional to add.

Tri-State: Fetterman reported on the Tri-State meeting. He stated that this was a virtual meeting. They welcomed their new attorney Jay Sturhahn. Tri-State has been working with the US Forest service and the Electric Subsector Coordinating Council as part of the Wildfire Working Group. This will help advance and improve the process for vegetation management work to be done in right of ways on federal lands. Tri-State is working with the USFS on a master special use permit that distribution cooperatives may be able to use as well. They are also trying to work with the BLM on a similar master permit, but the BLM has not been as responsive. Fetterman reported on Tri-State's conversion to Oracle software. Though the conversion is quite expensive, they believe that it will save them money in the long run. They have received 73 proposals for their latest renewable RFP. Dellinger stated

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that there has not been a Rate Design Committee meeting since our last board meeting. The next Rate Design Committee meeting will be held on Monday.

CREA: Archibeque reported on the CREA meeting. Archibeque, Barry and Robinson attended the CREA Energy Innovations conference. Archibeque stated that he has taken enough courses to get his Credentialed Cooperative Director certificate.

Western United: Barry reported on the Western United meeting. He went on a tour of the new facility in St. George, Utah.

Utah Rural Electric Cooperatives Association: Barry reported that this meeting will be held next week.

FastTrack: Report will be in executive session.

Committees: No committee reports for this meeting.

Executive Session: Lindsay moved to go into executive session for discussion of FastTrack, seconded by Butler. Motion carried. Went into executive session at 9:13 a.m. Came out of executive session at 9:44 a.m.

Adjournment: Meeting adjourned at 9:44 a.m.



David Sitton, President



Jerry Fetterman, Secretary/Treasurer