

EMPIRE ELECTRIC ASSOCIATION, INC.  
MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
SEPTEMBER 13, 2024

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, September 13, 2024, 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, Attorney Tyler Denning, Executive Secretary / HR Representative Shawna McLaughlin, Operation and Engineering Manager Ken Tarr, Financial Manager Ginny Johnson, Business Service Manager Chris Snyder, Member Engagement Manager Andy Carter, and System Engineer Dalton Randolph.

Others present by web conference: Members Ken Curtis and Emiko South.

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 Mollenkopf. Motion carried.

Membership Input: None

Monthly Safety Report: Dellinger stated that we had one personal injury where an employee sprained their left ankle and one property damage to the windshield off a truck. We had our safety luncheon yesterday to take some time to celebrate our safety accomplishments and re-focus on our safety culture.

Correspondence:

- CFC Board Report
- Federated Member Update – August 2024
- Federated Report from the Board – August 2024

Thank you letters:

- Monticello High School for annual donation.
- Andres Moreno for the Scholarship.
- Southwest Colorado Youth Baseball and Softball League for the annual sponsorship.
- Gabe Crowley for the Scholarship.
- Nolan West for purchasing his turkey's.

Policy Review/Action:

**Action Item:** Policy 20: Rate Design (09-09-2022): Dellinger stated that staff and legal reviewed Policy 20 and suggest adding references to PURPA requirements so that we are mindful of these when we engage in rate design. A conversation was had on the verbiage in the low-income section. We have concentrated on structuring our rates to be affordable for all members, not just low-income members. Barry moved to approve Policy 20 with the edits suggested by staff as well as changing II.B.2.a to read, "Ensure that rate development does not unfairly impact members regardless of economic status", seconded by Mollenkopf. Motion carried.

**Action Item:** Policy 21: Capital Credits (10-14-2022): Dellinger stated that staff and legal reviewed Policy 21 and suggest adding language to the paragraph that discusses claims on forfeited capital credits that gives the board more discretion on evaluating and paying such claims. Robinson moved to approve Policy 21 as presented, seconded by Lindsay. Motion carried.

General Manager Report:

**Action Item:** Consider Cortez Fire Protection District's Net Metering Information Request: Dellinger stated that the Cortez Fire Protection District (CFPD) has requested addresses of net metered members in Montezuma County. CFPD plans to put this information into its First Due database so that crews can be aware of possible energy hazards when they respond to calls. First Due is a secure platform only accessed by CFPD members. This request falls under Policy 51 – Information Disclosure. Discussion was had on confidentiality of our members and if this would actually be a public safety concern. We also do not keep track of battery storage, so the net metering information may not be the correct information they need. Denning suggested that we table this request so that we can get more answers from the Fire District. Consensus of the board is to table this request until we can get more information from the CFPD. We will ask the Fire Chief to attend next month's meeting.

**Action Item:** Select Voting Delegate for CFC Board Election: Dellinger mentioned that the CFC election will be during the NRECA Region 7 and 9 meeting in Sacramento, CA. Voting can be done at the meeting or via mail. He has served as the voting delegate for mail-in elections in the past and would do so again. There is a District 7 director position, an at-large director position, and a proposed nominating committee to vote for. Materials are in the board packet. Lindsay moved to appoint Josh Dellinger as the CFC Voting Delegate, seconded by Robinson. Motion carried.

**Action Item:** Consider Modifications to Youth Leadership Camp Transportation Practices: Dellinger explained that the application period for the Youth Leadership Camp will be opening soon. Staff would like to propose a change in how the students get to and from the Steamboat Springs camp. In the past, an EEA employee has driven the students there and back. There are several concerns with this practice, including the potential for a male employee to drive alone with female students as well as inefficient use of the employee's time. Most of the cooperatives that still participate in the camp do not provide transportation for their students. They either don't do anything to compensate for travel, or they reimburse travel expenses. In the future, we would like to reimburse the students / parents for transportation costs instead of EEA transporting the students. We propose that we provide \$700 per student as reimbursement for travel expenses after they attend the camp. This would be slightly above the GSA reimbursement for meals and mileage to and from Steamboat Springs. Archibeque moved to approve the Youth Leadership Camp changes, seconded by Robinson. Motion carried.

**Action Item:** Select the 2025 Annual Meeting Date: Dellinger explained that we are developing our 2025 calendar, and we need to select a date for next year's annual meeting so that we can include it on the calendars. The annual meeting is typically the third Thursday in June, which will be June 19, 2025. Robinson moved to approve June 19, 2025 as EEA's annual meeting date, seconded by Mollenkopf. Motion carried.

**Action Item:** Select Voting Delegate and Alternative for NRECA's Colorado Meeting: Dellinger mentioned that the CREA Innovations Summit and Fall Meeting is scheduled for October 26-29, 2024. As usual, the NRECA Colorado meeting will be held in conjunction with this event. We can select a delegate and alternate to represent us at the NRECA meeting. Mollenkopf moved to select Archibeque as voting delegate and Barry as alternate, seconded by Lindsay. Motion carried.

Strategic Planning Update: Dellinger stated that we continued to work on strategic planning items and an update is in the board packet. He highlighted on these areas.

1. System capacity. Our updated Policy 18 became effective on August 1. Staff is working to update our Construction Work Plan in conjunction with the 2025 budget.
2. Grant funding. We have been approved for about \$1.3M in funding for cybersecurity, undergrounding a portion of existing overhead in Utah, upgrading reclosers and controls to increase fault detection capabilities, and implementing advanced vegetation management practices. Our proposals to underground 15 – 20 miles of overhead line in fire danger areas and to construct a community solar project are still pending. Additionally, next rounds of funding are coming up and we will continue to apply for projects that make sense for our system.
3. Member engagement. We communicated the new Tri-State rate to our Large Power and Transmission Service members because they receive a direct pass through of the Tri-State rate. We also created new portal that allows members to securely upload documents in place of using email, which is less secure.
4. Combined campus. We continue to move forward with the new HQ building. We hope to have a final design and a guaranteed maximum price within the next two weeks, start construction shortly after that, and be finished by the end of 2025.
5. Power supply. We are exploring potential projects under Tri-State's Bring Your Own Resource program.

Financials: Johnson reported on the financials for July. She stated that we continue to trend close to budget. She discussed some of budget variances are due to timing issues.

Discuss PCA Recovery of Purchased Power Costs: Johnson explained that we have over collected purchased power costs this year because we expected the new Tri-State rate to become effective on January 1st, but FERC did not allow it to go into effect until August 1st. The board determined the best course of action is to let our Power Cost Adjustment (PCA) component of our rates take care of this overcollection and return it to our members through a lower PCA charge in 2025.

Miscellaneous: Dellinger mentioned that the Utah Cooperative Day of Service will be on October 8<sup>th</sup>. We plan to host another refrigerator and freezer recycling event in Monticello.

October 31<sup>st</sup> will be EEA's Member Appreciation Day, and we will have snacks and giveaways available for members in the Calvin Denton room.

We hired Kooper Long as our Warehouse Specialist.

The EEA Christmas parties are being planned. Kids party will be December 6<sup>th</sup> at the Montezuma County Annex, and the adult party will be December 14<sup>th</sup> at Destination Grill.

Dellinger stated that Robinson sent out information for the Tri-State Community meeting on October 3<sup>rd</sup> at the Dolores Community Center.

Dellinger sent out the latest CAMU rating survey. EEA continues to look very strong in all rate classes.

Director Roundtable: Archibeque mentioned that during the last outage, Clearnetworkx workers and an EEA staker were working in the alley behind his house. He started getting neighbors questioning the outage. He was able to contact Dellinger and get an answer pretty quickly and he thanked Dellinger for his quick response.

Attorney: Denning provided a written report in the board packet. He stated that he continues to work on a line extension agreement. He also provided feedback on the policy review.

Tri-State: Robinson reported on the Tri-State Board meeting. He stated that he had his first meeting last week. He spoke about how impressed he is with the executive staff. The Colorado ERP became active as of yesterday as no parties submitted comments to the uncontested filing. The RFPs for new generation will be going out soon. The Canyonland Solar will bid into that RFP. The Contract committee meeting will be held next week on Tuesday, with a special budget meeting to follow. They will not have a rate increase in 2025. He discussed wildfire liability.

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Tri-State is campaigning for a bill that would give utilities liability protections similar to what utilities have in Utah. NRECA is also supporting wildfire liability protections at the federal level. He will discuss a few budget items in executive session. September 18<sup>th</sup> is a New Director Orientation that both Mollenkopf and Sitton will be attending.

CREA: Archibeque reported on the CREA Board meeting. He highlighted on the potential bills that will be presented in legislation. Carbon reduction, clean energy, and pole attachment fees are some topics being discussed. There is a potential of 25 new members in the house and the senate. The executive committee was challenged with exploring moving the CREA offices due to safety issues. Its current location makes it difficult to recruit and hire employees. Archibeque has another executive meeting on Tuesday. They will be making an offer to candidates for the open safety director and government relations positions soon. For 2025, CREA will be working with NRECA to provide a summer school to board directors to help maintain their certification. Another topic that came up is Associate Memberships.. Some are concerned about opening up associate memberships to power providers besides Tri-State while others think that having associate members can contribute to the financial stability of CREA. The Fall Meeting and Energy Innovations Summit is coming up in October.

Western United: Barry reported that he was unable to attend the meeting due to technical difficulties getting into the zoom meeting.

Utah Rural Electric Cooperatives Association: Barry reported on the URECA meeting. He stated that he attended by web conference. They have 12 youth going to Washington DC this year. They are working on getting into the schools for youth education and having representation on the education board and the energy advisement board.

Committees: Donations are due on September 15<sup>th</sup>. The board will need to get together to go over those donations. Board can meet October 3<sup>rd</sup> at 12:00 p.m. Lunch will be provided. The Survey committee will be meeting on September 25<sup>th</sup>. The building committee met yesterday, and this meeting will be discussed in executive session.

Executive Session: Fetterman moved to go into executive session to discuss the new HQ Building Design – Build Contract Exhibits, to discuss the listing of the current HQ building, Tri-State, FastTrack, and to receive legal advice, seconded by Robinson. Motion carried. Went into executive session at 11:01 a.m. Came out of executive session at 12:21 p.m.

**Action Item:** Consider New HQ Building Design – Build Contract Exhibits: Mollenkopf moved to authorize Josh Dellinger to execute the HQ Building Design – Build Contract Exhibits within the parameters that were discussed in executive session, seconded by Robinson. Motion carried.

**Adjournment:** Meeting adjourned at 12:23 p.m.



David Sitton, President



Jerry Fetterman, Secretary / Treasurer