

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
April 12, 2019

Regular meeting of the board of directors of Empire Electric Association, Inc. was held Friday, April 12, 2019 with the following directors present: Bill Bauer, Bill Mollenkopf, Kent Lindsay, John Porter and Jerry Fetterman. Others present: General Manager Josh Dellinger, Attorney Shay Denning, Finance Manager Ginny Johnson, Operations Manager Ken Tarr, System Engineer Clint Rapier, Corporate Operations Manager Chris Snyder, Executive Secretary / HR Representative Shawna McLaughlin. Absent was President David Sitton.

Others Present: Members Read Brugger, Heidi Brugger, Gala Pock, Caroline Dunmire, Marianne Mate, Greg Barker, Jane Chipman, Eric Lindgren, Trista Lechman, Justine Bales, William Fish, Heather Sorenson, and Barbara Stagg, and Katherine Pellicore with San Juan Citizens Alliance.

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

Approve Consent Agenda:

Action Item: Mollenkopf moved to approve the consent agenda, seconded by Bauer, motion carried.

Membership Input: Attending members introduced themselves. Heide Brugger asked how many surveys were received. Snyder stated that 323 surveys were received.

Audit report presentation:

Action item: Abby Williams with CarlsonSV, LLC presented the 2018 audit report via teleconference.

The audit report was presented in open session. Motion by Fetterman to go into Executive session for further discussion, seconded by Lindsay, motioned carried. Went into executive session at 9:30, came out of at 9:40.

Fetterman moved to approve the audit report as presented, seconded by Lindsay, motioned carried.

Donation request presentations:

Cortez Community Gardens donation request presented by Read Brugger. The Cortez Community Garden works with the Good Samaritan Center to provide fresh vegetables that are grown locally. They are raising money to create a container garden and a children's garden. They are working with the City of Cortez recreation center's playground days to get local children involved. Request amount is \$500.00 that will purchase containers and soil.

Southwest Colorado Area Health Education Center donation request presentation by Heather Sorenson. Requesting funds for a health career camp for 9th, 10th and 11th graders that will be spending a week at Fort Lewis College learning different aspects of the health career field. This would be a sponsorship donation and board can decide on what level of sponsorship they would like to give.

Montezuma County Historical Society donation request presented by Barbara Stagg. The Historical Society is developing a museum. Donated funds would go towards the renovation of the building and establishment of the museum. Requesting \$2500.00.

Battle Rock Charter School's donation request was presented by Trista Lechman, Justine Bales and William Fish. They are requesting a donation to help fund a field trip for the 6th graders to the Grand Canyon. They are requesting \$750.00 to offset some of the costs.

Board action will be taken on the donation requests after executive session.

Correspondence:

General correspondences:

2018 Touchstone Energy annual report.

2018 CoBank's annual report.

CRC report from the boardroom.

CoBank's statement of qualified patronage distribution.

CFC annual benefit of ownership statement.

Federated notice of amount credited to member equity account and statement

Congratulations to Bill Bauer for his renewal of his Director Gold Status.

A handful of complaints were received on our meter changeout project. All complaints have been addressed with Allegiant.

Thank you from:

Shelly Lewis for the scholarship.

Charlie Haspel thanked Empire employees for assistance with his roof top solar.

Students Taking Unhealthy Decisions for the donation.

Director Lindsay thanked the board and staff for the sympathy card and phone calls that he received.

Policy Review/Action:

Action Item: Policy 48: Harassment (7-8-16): The board reviewed the policy and Fetterman suggested that we consider making this policy stronger. Fetterman moved to table this policy, seconded by Mollenkopf, motion carried. Staff and attorney will propose new language to strengthen this policy.

Action Item: Policy 49: Economic Development (11-11-16): There were some small grammatical edits and a format change. Moved to approve by Mollenkopf, seconded by Bauer, motioned carried.

General Manager Report:

Action Item: Consider CoBank Sharing Success application: We can apply for CoBank to match our donations to three non-profit organizations. The board decided to keep our CoBank Sharing Success applicants the same from last year, except to maximize the amounts this year since CoBank increased the max limit. The applications will be as follows: Four Corners Child Advocacy Center for \$2000, Bridge Shelter for \$2000, and Southwest Memorial Hospital Foundation for \$1500. Motion by Fetterman to approve the applications, seconded by Mollenkopf, motion carried.

Action Item: Consider 2019 capital credit retirements: Dellinger presented two scenarios for the capital credit retirements. Johnson asked if the board would consider issuing the retirements at a different time during the year from the allocations to avoid confusion for the members between retirements and allocations. Bylaws state that allocation notices must be sent out before July 1st of each year, but there is no timeframe for issuing retirements. Board agreed to do the retirements later this year. Mollenkopf moved to approve Scenario 2, seconded by Fetterman, motion carried.

Strategic Planning update: Dellinger discussed the Strategic planning session that will be held April 16 and 17, 2019. He also pointed the board to a summary of the last strategic plan for the board to review in preparation for the upcoming session.

Utah PSC formal complaint: Dellinger noted that a member filed a formal complaint against Empire as the Utah PSC regarding having to pay two grid access charges. The member has two distinct services, one is for a water well and the other is for his residence. Dellinger is working with our attorneys in Utah to respond to this complaint.

Action Item: Consider Resolution 4-2019, Closure of Wells Fargo Accounts. Lindsay moved to approve the resolution as presented, seconded by Bauer. Motion carried.

RESOLUTION 4-2019

CLOSURE OF WELLS FARGO ACCOUNTS

At a regular meeting of the Board of Directors of Empire Electric Association, Inc., held at its office and principal place of business in Cortez, Colorado, on April 12, 2019, there being a quorum present, the following resolution was proposed and after being put to vote was unanimously adopted, said resolution being in words and figures as follows, to-wit:

RESOLVED THAT consent of the Board be and is hereby accorded to close all Wells Fargo bank accounts of Empire Electric Association, Inc. with immediate effect.

RESOLVED FURTHER THAT Mrs. Virginia Johnson, Finance Manager is hereby authorized to sign documents as may be required in connection with the closure of these accounts.

RESOLVED FURTHER THAT the copy of the above resolution be forwarded to Wells Fargo for necessary action at their end.

WITNESS THE HAND AND SEAL of the Officers of Empire Electric Association, Inc., on this 12th day of April 2019.

Action item: Review 1120-POL – This is the form that we are required to fill out due to our donations to CARE. Moved by Bauer to approve, seconded by Lindsay, motion carried.

Consider Ute Mountain Ute (UMUT) infrastructure purchase letter - Dellinger stated the UMUT has formally requested to purchase the casino complex infrastructure for its solar project. Dellinger will work on agreements with UMUT. Consensus from the board to continue with this sell to UMUT.

Consider involvement in Tri-State – DMEA Issue – This was a place holder on the agenda to allow the board to discuss if it desires to get involved with this issue. Denning stated that if the board decides they want to get involved, Empire would need to retain special council. A discussion was had about what options we have and what the board needs to consider regarding whether we stay neutral or we get involved. This will remain a standing agenda item for the near future in case the board decides it would like to get involved.

Financials: Johnson reviewed February's financial report.

Miscellaneous: Dellinger stated that WAPA and Tri-State are having a dispute about wheeling power from the Towaoc hydro generation station. Empire no longer owns the assets, so it is a direct connection between WAPA and Tri-State. WAPA hasn't cancelled our contract and we are hoping a resolution between them will be found soon.

Director Roundtable: Fetterman went to the annual Tri-State meeting and he was impressed with the new CEO, Duane Highley. Highley was asked to present at the Empire's annual meeting in June.

Attorney:

Denning worked on the bylaw amendment insert for the ballot. The insert will be presented to the Board for review and approval later in the meeting.

The Wheeler lawsuit has been settled and Denning is only waiting on the final dismissal to be entered by the Court. The main parties agreed to rebuild the road to address the flooding issues. Therefore, the title to the property will not be changed and Empire's easements will not be impacted by the settlement. The only thing Empire will need to watch is to ensure that the rebuilding does not impact the existing equipment or infringe upon any existing easements.

The Centurylink joint use agreement has been delayed due to staff changes at Centurylink. However, a new person has taken over this project and Denning is working with staff to assist in getting the new agreement in place.

Denning will continue working on the Ute Mountain Ute joint use agreement and interconnection agreement. Denning is helping with the review of the rules and regulations update that Dellinger is currently working on. In the Tri-State-DMEA case the PUC did issue a denial of Tri-States motion to dismiss.

Tri-State: Mollenkopf gave a summary of the Tri-State Board meeting. There were 525 attendees at the Tri-State annual meeting. This is very close to the max capacity of the venue, which is why attendance was limited. Tri-State is looking for a larger venue to hold its annual meeting next year. The main topic was the bylaw changes. Those changes were passed 42 – 1. This allows the ability to create new classes of memberships. Mollenkopf explained the different classes and how it will affect their members. A contract committee will be put together to handle these class changes.

The first of three integrated public resource planning meetings were held, and it was well attended.

The Maverik substation was approved. Completion of entire Montrose-Nucla-Cahone project is expected by the end of 2020.

Mollenkopf showed some slides regarding natural gas prices and how the prices have averaged over the years. He discussed Tri-State's concerns with the fluctuation of those prices.

He also presented slides regarding the Moody credit rating and reviewed how Tri-State is doing. A slide regarding the debt service ratio for Tri-State was also presented.

Mollenkopf also discussed a presentation that was given at the Tri-State meeting regarding High Renewable Penetration.

CREA: Porter gave a summary of the CREA board report.

Western United: Porter stated that Western United didn't have a meeting but will next month.

Utah Rural Electric Cooperative Association: Dellinger gave a summary on the URECA report.

Committees:

Action Item: Consider proposing bylaw amendments: Denning reported that the Bylaw committee met to discuss recommended changes to the bylaws. She presented those changes that need approval from the board to be placed on the ballot. Each ballot issue was voted on individually.

Ballot issue #1 – After discussion it was moved by Mollenkopf to approve, seconded by Lindsay, motion carried.

Ballot issue #2 – After discussion and verbiage changes regarding multiple joint members, it was moved by Bauer to approve with changes to the verbiage, seconded by Lindsay, motion carried.

Ballot issue #3 – After discussion it was moved by Bauer to approve, seconded by Lindsay, motion carried.

Ballot issue #4 – After discussion it was moved by Bauer to approve, seconded by Mollenkopf, motion carried, Fetterman voted against.

Ballot issue #5 – After discussion it was moved by Lindsay to approve, seconded by Fetterman, motion carried.

Ballot issue #6 – After discussion it was moved by Bauer to approve, seconded by Fetterman, motion carried.

Ballot issue #7 – After discussion it was moved by Porter to approve, seconded by Lindsay, motion carried

Ballot issue #8 – After discussion it was moved by Fetterman to approve, seconded by Mollenkopf, motion carried.

Ballot issue #9 – After discussion it was moved by Lindsay to approve, seconded by Porter, motion carried.

Ballot issue #10 – After discussion it was moved by Bauer to approve, seconded by Lindsay, motion carried.

These ballot issues will be presented to the membership for consideration during this year's board election cycle.

Eric Lindgren asked to talk about a member issue. He would like to see an entire membership list. Policy 51 states that a member list of the cooperative is available to a qualified candidate. McLaughlin will get him the entire list once he turns in his petition and becomes a qualified candidate.

Executive Session: Bauer moved to go into executive session to discuss FastTrack and discuss the donation requests, seconded by Lindsay. Motion carried. Went into executive session at 1:38 p.m. Came out of executive session at 1:56 p.m. to vote on the donation requests.

Donation Requests:

Action Item: Cortez Community Gardens – Lindsay moved to give a \$500.00 donation, Fetterman seconded. Motion carried.

Action Item: Southwest Colorado Area Health Education Center – Mollenkopf moved to approve a \$500.00 donation, Fetterman seconded. Motion approved. Donation will come out of unclaimed capital credits.

Action Item: Montezuma County Historical Society. Fetterman moved to approve a \$1000, seconded by Mollenkopf, motion carried.

Action Item: CREA request for sponsorship for Pedal to Plains – denied due to Empire already donating money to Energy Outreach Colorado.

Action Item: Battle Rock Charter School – Mollenkopf moved to approve \$750.00, seconded by Fetterman. Motion carried. Donation will come out of unclaimed capital credits.

FastTrack:

Discussed in executive session.

Adjournment: Meeting adjourned at 2:12 p.m.


Jerry Fetterman, Secretary/Treasurer


David Sitton, President

SAFETY SUMMARY – March 2019

Employee First Report of Injury

Part of Body	2010 Total	2011 Total	2012 Total	2013 Total	2014 Total	2015 Total	2016 Total	2017 Total	2018 Total	2019 Total	Current Month	Total 2010-2019
Arm	1						1					2
Back	1	2	1				1			1		6
Body		1					1					2
Collarbone												0
Eye/Face		2	1				1		1			5
Finger			1	3	1	1		1	1			8
Foot	1							2				3
Hand		2										2
Head												0
Hip								1	1			2
Knee	1	1	1	1	1			1	1			7
Leg					2				2			4
Mouth			1									1
Neck				1								1
Shoulder		1	1	1								3
Stomach												0
Wrist												0

2019 Cause of Injury

Cause of Injury	# of Claims	% of Total	Losses	% of Total
Fall, Slip or Trip	1			
Pushing or pulling (strain or injury)				
Into Openings (fall or slip)				
Slipped, did not fall				
Lifting (strain or injury)				
Caught in, under or between				
Reaching (strain or injury)				
Temperature Extremes				
Wielding or Throwing (Strain or injury)				
All Other	1	0	0	0

Summary of Personal Injury

Year	Personal Injury Report	OSHA Reportable [Ⓞ]	Lost Time Accidents	
2010	7	0	0	
2011	9	5	2	103 days-97 restricted
2012	6	2	0	
2013	5	3	1	4 days – 105 restricted
2014	4	3	0	
2015	1	0	0	
2016	4	4	0	
2017	5	3	1	4 days
2018	6	4	1	25 days – 17 days restricted
2019	1	1	0	
TOTAL	48	25	5	136 full days – 219 restricted

Ⓞ OSHA Reportable:

Any Accidents Involving:

- Loss of consciousness
- Restriction of work or motion
- Transfer to another job
- Medical treatment (other than first aid)

Property Damage: None

Personal Injury Report: None

Safety & Health Committee Report: The safety and health committee met on Wednesday, March 13th. Visitor Policy #06 will be shared with all employees at the next safety training sessions this week. Tap Root Investigations - It was discussed that an initial accident investigation will be completed by the safety administrator, then the report is to be brought to the Company Safety and Health Committee and CSHC will decide if a Tap Root Investigation needs to be completed. **New Business:** Wellness Program – Several ideas were discussed regarding employees having discounts from local fitness facilities, adjusting lunch breaks to accommodate the employees to travel to these locations or having the fitness classes onsite in the Calvin Denton room. These classes may not benefit all employees because our crews are out in the field most of the time. Additional information will be brought to the next meeting. CREA - Dan Whitesides updated that some CREA employees are getting certified as National Safety Council (NSC) Driver Instructors. In the future they would be able to train our employees in developing defensive driving skills and the benefits would be reduced vehicle accidents, safe drivers and possibly deductions on vehicle insurance premiums. PHR #215335 – Porcelain Dead-end Insulated wire holder (house knob) pulled out and pulled service away from the house. It was immediately repaired. **Safety Suggestion:** Require all visitors to sign out on visitor log when they leave the building. In case of an emergency we can account for everyone that is in the building. Committee Approved this safety suggestion. **Safety Improvement Plan** – Committee members were assigned to ownership to the key actions in the SIP. They will update process when each month.

Monthly Safety Meeting: The monthly safety meeting was held Thursday, March 21st. **Old Business:** Kris Miller reported that there have been some updates within SubCheck Plus. The maintenance required question is now a required item that must be answered in order to complete a substation check. Also, Kris is looking into adding an option to be able to comment on notes made in SubCheck Plus, so that whoever is doing the inspection can see their notes and that it has been read and is being taken care of. Kris Miller stated that the regulator from the DC substation has been sent to Solomon to be repaired. Jules Bitsilly is waiting on an electrician's estimate for installing hydrogen sensors and ventilation for the electric forklift charging area in the warehouse. **Near-misses:** Preston Vialpando reported that when he parked his bucket truck, he did not shut off the engine, take it out of gear, set the air brakes or chock the wheels. The truck then slowly rolled away running into the fence. There were no injuries. **New Business:** Kris Miller noted that Tri-State has taken over all the substations except Nuchu sub. He wanted everyone to be aware that they always keep their bus ties closed and energized so just be aware when doing work in substations. Kris Miller thanked everyone including Asplundh for all their hard work during these recent outages. The Visitor Policy #06 was approved by the board and the policy was reviewed with all employees. The Safety Summary was reviewed for February. CDL Medical and license expirations list was reviewed. **Training:** "Driver Awareness" video by Smith Systems presented by Jules Bitsilly.

<u>Subject: EMPLOYEE SEXUAL/PERSONAL HARASSMENT AND INTIMIDATION</u>		<u>Policy No: 48</u>
<u>Original Issue: 7/27/1987</u>	<u>Last Revised: 10/11/2013</u>	<u>Last Reviewed: 4/12/2019</u>

**EMPIRE ELECTRIC ASSOCIATION, INC.
BOARD OF DIRECTORS
POLICY NO. 48**

EMPLOYEE SEXUAL/PERSONAL HARASSMENT AND INTIMIDATION

I. OBJECTIVE

- A. Empire Electric Association, Inc. (Cooperative) is committed to providing a work place free from all forms of discrimination, including sexual harassment, personal harassment, and intimidation.
- B. Sexual harassment undermines the Cooperative's insistence upon employee integrity and is considered to be serious misconduct. No employee, either male or female, should be subjected to unwelcome and offensive sexual or gender-based conduct or innuendo, either verbal or physical from co-workers, supervisors, management, board members, attorneys, auditors, or any other persons who interact in the work place.

II. EMPLOYEE SEXUAL HARASSMENT POLICY

- A. Sexual harassment will result in disciplinary action including, but not limited to written warning, counseling, transfer (if available), probation, suspension, or discharge.
- B. -Sexual harassment is defined as: Unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual or gender-based nature, including posting or circulation of offensive written or graphic material in the workplace, if:
 - 1. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
 - 2. Submission to or rejection of such conduct by an individual is used either explicitly or implicitly as the basis for employment decisions affecting such individual; or
 - 3. Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

III. EMPLOYEE HARASSMENT AND INTIMIDATION POLICY

- A. No employee shall physically or verbally harass or intimidate any co-worker, supervisor, management, board member, or any other persons who interacts in the work place. Harassment means verbal or physical conduct that insults or shows hostility or aversion toward an individual and may include use of epithets or slurs, negative stereotyping, threats, insults, hostile acts, demeaning or hostile jokes or pranks, and posting or circulating insulting or hostile written or graphic material in the workplace.
- A.B. Harassment or intimidation will result in disciplinary action including, but not limited to written warning, counseling, transfer (if available), probation, suspension, or discharge.

IV. REPORTING AND INVESTIGATION PROCEDURE

- A. All employees have a responsibility to report any incident of sexual harassment, ~~or~~ harassment, or intimidation they experience or observe, using the procedure outlined below.
- B. Any employee who believes that he or she has observed or is experiencing sexual or personal harassment or intimidation by a co-worker, supervisor, management, board member, attorney, auditor, or any other persons who interact in the work place -should take these steps:
 - 1. Firmly and clearly inform the person who is committing harassment that his or her behavior is unwelcome and must stop at once. If possible, ensure that witnesses are present at this discussion.
 - 2. The reporting employee(s) shall write a statement about the incident and what was done to stop it. The report should be as specific as possible, including the name of the person committing the harassment, a description of the conduct, the effect that conduct is having on working conditions, and the names of any witnesses who could assist in the investigation.
 - 3. The report shall be submitted to the general manager and/or the ~~h~~Human ~~r~~Resources ~~c~~Coordinator for inclusion in Cooperative files. If the general manager and/or the ~~h~~Human ~~r~~Resources ~~c~~Coordinator are involved in the harassment incident(s), submit the report to the president of the ~~b~~Board.
 - 4. All claims of sexual and personal harassment and intimidation will be investigated promptly and will be handled confidentially and professionally. The reporting employee's' or employees' further participation in the investigation may be necessary, and they will be informed of the outcome.

V. RESPONSIBILITY:

- A. The general manager or president of the board of directors shall enforce this policy in all employment situations.
- B. The board shall be responsible for any change or revision of this policy.
- C. The general manager is responsible for administration of this policy and for making recommendations ~~for on necessary or required~~ changes.

~~AUTHORITY: Board Motion 07/24/87~~
~~Board Review 12/20/91~~
~~Board Motion 11/20/92 [Amended]~~
~~Board Review 04/21/95~~
~~Board Review 11/17/95~~
~~Board Review 11/21/2003~~
~~Board Motion 11/17/2006~~
~~Board Review 07/22/2011 [No changes]~~
~~Board Motion 10/11/2013 [Amended]~~
~~Board Review 07/08/2016 [No changes]~~

<u>President Signature</u>	<u>Date 04-12-2019</u>
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<u>Subject: ECONOMIC AND COMMUNITY DEVELOPMENT</u>		<u>Policy No: 49</u>
<u>Original Issue: 06/19/1992</u>	<u>Last Revised: 11/11/2016</u>	<u>Last Reviewed: 04/12/2019</u>

**BOARD OF DIRECTORS
POLICY NO. 49**

~~ECONOMIC AND COMMUNITY DEVELOPMENT~~

I. OBJECTIVE

- A. To participate in economic and community development activities that have a positive impact on the economy within Empire Electric Association, Inc.'s (Cooperative) certificated service area consistent with sound environmental constraints and to ensure that it is done in a fair and equitable manner and in the best interests of the members.

II. POLICY

- A. The board of directors (Board) supports participation of the Cooperative, general manager, (Manager) and employees in economic development activities primarily intended to stabilize power costs and help create employment opportunities within the certificated service area.
- B. The Cooperative shall coordinate its economic development activities with its power supplier and with state, regional, and local development authorities as necessary.
- C. The Cooperative can participate most effectively in economic development by offering employee time, minor incentives, and general developmental aid. The Cooperative's financial capabilities for economic development activities are limited and shall not materially impact member rates. The Board will consider economic development incentives on a case-by-case basis.
- D. The Cooperative will promote and support business retention and expansion by providing industrial and commercial members with technical and developmental aid, particularly about energy conservation and efficiency.
- E. The Cooperative will promote and support new businesses by providing them with reasonable technical and developmental aid, particularly about energy conservation and efficiency.
- F. The Manager and other interested employees are encouraged to join in and participate in local and regional development organizations. Upon prior approval by the Manager, the Cooperative will reimburse employees for reasonable expenses associated with their participation in these organizations.
- G. The Cooperative may participate in and contribute to local and regional economic development entities on a case-by-case basis as approved the Board.
- H. The Manager will propose annual economic and community development budgets for consideration by the Board.

III. RESPONSIBILITIES

- A. The Manager is responsible for investigation and response to requests for developmental aid from existing and prospective loads consistent with this policy. The Manager will report to the Board

on a regular and timely basis about all economic development projects and activities undertaken by the Cooperative or its employees.

B. The Board shall be responsible for any change or revision of this policy.

B. _____

_____ President's Signature	Date: <u>04/12/2019</u>
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~~AUTHORITY: Board Motion 06/19/92~~
~~Board Review 04/21/95~~
~~Board Review 11/17/95~~
~~Board Motion 12/15/06~~
~~Board Motion 02/20/09~~
~~Board Review 08/19/11 [no changes]~~
~~Board Review 01/10/14 [no changes]~~
~~Board Motion 11/11/2016 [Amended]~~