

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
April 11, 2025

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, April 11, 2025, 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, Executive Secretary / HR Representative Shawna McLaughlin, Financial Manager Ginny Johnson, Operations and Engineering Manager Ken Tarr, Business Service Manager Chris Snyder, Member Engagement Manager Andy Carter, and System Engineer Dalton Randolph. Appearing by web conference: Attorney Shay Denning.

Others present in person: Member Jeff Busic.

Others present by web conference: Member Emiko South.

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

Approve Consent Agenda:

Action Item: There was one error in the minutes, Policy 32 was referenced twice. The second one should be Policy 35. Mollenkopf moved to approve the consent agenda with the edit to the minutes, seconded by Archibeque. Motion carried.

Membership Input: None.

Monthly Safety Report: Dellinger stated that there were no personal injuries. There was one property damage when an employee hit an elk with a company truck. The full report is in the board packet.

Correspondence:

- CoBank Patronage Statement.
- Federated Member Update – March 2025.

Thank you letters:

- Dolores Operation Graduation for the sponsorship.

Policy Review/Action:

Action Item: Policy 36: Leaves of Absence (04-14-2023): Dellinger stated staff and legal reviewed and have a few minor wording changes. Robinson moved to approve Policy 36 as presented, seconded by Barry. Motion carried.

Policy 37: Holidays (04-14-2023): Dellinger stated that staff and legal reviewed and there are no suggested edits.

General Manager Report:

Action Item: Consider Pathfinder GIS Data Release Request: Dellinger explained that Pathfinder is a locating company that does engineering / planning locates and they would like to have GIS data for all our underground lines in Montezuma County. Dellinger stated that this is a non-standard request. Normally information is requested per project. A concern was brought up about our system changing over time and Pathfinder

potentially using old data. Archibeque moved to deny the Pathfinder GIS data request, seconded by Lindsay. Motion carried.

Action Item: Consider SGM GIS Data Release Request: Dellinger stated that SMG is working on a water main replacement project for the Town of Dolores, and they are asking for GIS data for the area where the replacements will occur. Robinson moved to approve the SGM GIS data release request, seconded by Mollenkopf. Motion carried.

Action Item: Consider Accelergen GIS Data Request: Dellinger explained that Accelergen is the developer of the proposed 125MW solar + 62.5 MW storage project south of the Fairgrounds. Robinson moved to approve the Accelergen GIS data request, seconded by Barry. Director Lindsay recused himself. Motion carried.

January 2025 CAMU rate survey results: Dellinger stated that the biannual Colorado Association of Municipal Utilities (CAMU) survey results are available for board review. EEA's rates across all rate classes continue to rank very favorably among Colorado utilities. Dellinger acknowledged and thanked EEA staff who have worked diligently to keep rates stable. Sitton suggested that we work with Utah Rural Electric Association (URECA) to possibly have them do a similar survey with Utah rates.

EEA member survey results: Dellinger mentioned that he emailed the results of EEA's 2025 member survey to the directors. A document that compares the 2025 results with the 2022 results and offers some observations is included in the packet. He discussed some of the observations which will give us some guidance on how to move ahead in the future. This survey will be a tool for the upcoming strategic planning session.

Financials: Johnson reported on February's financials. She discussed the budget variances and compared them to the previous year. She stated that we will see the under-budget variances reverse in the next few months. Johnson mentioned that the State of Utah recently informed us that the Department of Energy approved our application to underground approximately two miles near the Blue Mountain Ranches in the Manti La Sal National Forest. We will begin working with Utah to finalize the agreement so that we can begin working on this project. The audit report will be presented in the May board meeting.

Miscellaneous: Dellinger reached out to the City of Monticello to let them know that we would like to attend their council meeting regarding the franchise agreement. They would like us to attend a meeting in May so that they have time to get their consultation report back and review it.

Dellinger stated that there is a resident that is currently off grid that is inquiring about taking service off a nearby Kinder Morgan line. We currently have two members on that line. Both members are served from a 25 kV line. The line that this resident would need to connect to is a 4160 V line. We do not run our own 4160 system, and we don't stock the 4160 equipment. Staff discussed this and due to the nonstandard distribution voltage in the line, we are unable to allow them to connect to the KM line. We do have an existing line that is approximately a mile and a half away that they could connect to through the normal process outlined in EEA's line extension tariff.

Dellinger stated that the hospital is considering a micro grid project that would involve a significant amount of solar, plus battery storage. The options that they are looking at would be over a megawatt, which would trigger Tri-State's standby rate. Key staff met with the hospital yesterday and they informed us that they have been awarded a DOLA grant for the battery portion of the project. That grant will require a match, but they are moving forward with additional planning and evaluation. The next step is to set up another meeting with Tri-State, the hospital, and EEA to see how Tri-State's standby rate will apply to this project. We want to make sure that the hospital has all the information it needs to do a complete financial analysis.

Dellinger reminded the Board that we have our strategic planning session on May 1st and May 2nd.

Director Roundtable: There was no roundtable discussion.

Attorney: Attorney Shay Denning stated that her report is in the packet. She will finish up the CFC loan letter as soon as possible. The contract for the sale of the building is still pending. We are waiting for them to provide us with a draft contract to review. We will discuss more items from her report in the executive session.

Tri-State: Robinson reported on the Tri-State Board meeting. The annual meeting was held last week. The main topic was the wholesale electric services contract. He discussed some of the presentations that were made during the meeting. Lonnie Tucker, CEO for the Southwest Power Pool (SPP), was a guest speaker. They recently announced that Bonville Power selected the SPP instead of the California ISO. This was a big win for SPP, which is good for us. There was a special meeting in the middle of March where Tri-State adopted the recommended preferred portfolio for their electric resource plan which is being filed today. This included solar, batteries, and a natural gas plant. The next steps for this will be public comment and approval by the PUC. The audit with Deloitte was also reviewed at the special meeting. This was a positive audit. The board held officer elections, and all the officers are the same as last year.

CREA: Archibeque reported on the CREA meeting. He stated that CREA is very active right now. The CREA board approved a motion granting staff authority to pursue purchasing a new building. He read the language from the motion and noted that the financial impact of any acquisition must not exceed \$3000 per year per member. Archibeque passed around a flyer on the building that they are interested in purchasing. They are in the process of recruiting a new Executive Director. They also approved a policy for allowing associate members to join CREA.

Western United: Barry reported that the meeting will be held the middle of this month. The sales and financials are in the packet.


Utah Rural Electric Cooperatives Association: Barry reported on the URECA meeting. There is a list of legislative bills that are being presented in the packet. The annual meeting will be held next week, and both Barry and Dellinger will be attending.

Committees: None.

Executive Session: Robinson moved to go into executive session to discuss the Tri-State Wholesale Electric Service Contract, Tri-State, HQ Property Sale Contract, the BYOR Contract, CREA, the broadband / fiber SB19107 bill, and to receive legal advice, seconded by Archibeque. Motion carried. We went into executive session at 10:49 a.m. Came out of executive session at 12:17 p.m.

Action Item: Consider the Tri-State Wholesale Electric Service Contract: Archibeque moved to approve the new Tri-State WESC contract as proposed, including the extension to 2066, and to authorize Sitton to sign, seconded by Mollenkopf. Director Robinson recused himself. Motion carried.

Adjournment: Meeting adjourned at 12:19 p.m.



David Sitton, President



Jerry Fetterman, Secretary / Treasurer