

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
August 13, 2021

Regular meeting of the board of directors of Empire Electric Association, Inc. was held Friday, August 13, 2021 with the following directors present: David Sitton, Kent Lindsay, Jerry Fetterman, Bob Barry, Larry Archibeque, Norman Butler and Audra Fahrion. Others present: General Manager Josh Dellinger, Operation Manager Ken Tarr, Member Engagement Manager Andy Carter, Executive Secretary / HR Representative Shawna McLaughlin, FastTrack Representative Bill Mollenkopf, Financial Manager Ginny Johnson, System Engineer Bill Barva. Others present by Web Conference: Attorney Shay Denning and Business Services Manager Chris Snyder.

Others present: CSU Montezuma County Director and Extension Agent, Greg Felson
Others present by Web Conference: Members Heidi Brugger, Ken Curtis, and Marianne Mate.

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 Archibeque. Motion carried.

Membership Input: none.

Solarize Presentation by Greg Felson, CSU Montezuma County Director and Extension Agent: Greg Felson gave a presentation on the Solarize program that is being offered in Montezuma and Dolores Counties. Solarize is an organization that was formed to stimulate solar growth in communities through outreach programs. Their umbrella organization is Solarize International that educates and trains people to get involved in the solar field. Their fiscal agent is Dolores County Development Corporation (DCDC). Brilliant Solar was selected through an RFP process to be their installer.

Monthly Safety Report: Dellinger stated that the safety report is in the packet. There were no personal injuries or property damages. EEA tied with Poudre Valley for the 2020 CREA Statewide Safety Award. EEA and 8 other cooperatives received No Loss Time Accident Awards for 2020 through CREA.

Correspondence:

General Correspondence:
Workman's Compensation Group Retention
NRECA Board Report

Policy Review/Action:

Action Item: Policy 12: Director Election and Voting (8-15-2020): Dellinger explained that we are reviewing these policies out of order because HB21-1131, commonly called the co-op governance bill, recently passed both chambers and was signed into law by the governor. The bill revises several sections of Sec. 40-9.5-101, C.R.S. *et seq.*, commonly called the deregulation statute, which establishes rules for how cooperatives are to be governed. A few minor updates need to be made to make this policy match the bill's requirements. Lindsay moved to approve Policy 12 as presented, seconded by Fetterman. Motion carried.

Action Item: Policy 13: Activities Conduct of Board Members (5-8-2020): Dellinger explained that we are also reviewing this policy out of order because of HB21-1131. A few minor updates need to be made to make this policy match the bill's requirements. Lindsay moved to approve Policy 13 as presented, seconded by Butler. Motion carried.

Action Item: Policy 51: Information Disclosure (6-14-2019): Dellinger explained that we are also reviewing this policy out of order because of HB21-1131. A few minor updates need to be made to make it match the bill's requirements. Archibeque moved to approve Policy 51 as presented, seconded by Butler. Motion carried.

General Manager Report:

Action Item: Consider Bylaw changes required by HB21-1131: Dellinger explained that the new bill also requires us to make a few minor updates to our Bylaws. The bill's changes to Sec. 40-9.5-110(2)(a)(II) require an update to address joint membership in Article II, Section 5 of our Bylaws. The bill's changes to Sec. 40-9.5.110(1)(a) also require an update to address nominating petition filing deadlines in Article III, Section 4 of our Bylaws. Since both of these changes are required by law, the Board can use Article XIII to make these updates without a vote of the membership. Plus, these changes need to be made before next year's election cycle to ensure compliance with statute. Additionally, HB21-1131 adds a new section to the state statute, Sec. 40-9.5-109.7, which allows for electronic voting should the membership of the cooperative vote to do so. If the board desires to pursue electronic voting, then we would need to propose changes to Article II, Section 5 to our membership. We would also need to make additional changes to Policy 12. If the board does decide to present any Bylaw changes to the membership, we should also update the heading in Article IV, Section 6 from "Telephone Meetings" to "Electronic Participation in Meetings" or something similar. The language of this section is fine, but the heading is a little outdated. Sitton suggested that we do a survey to see if the membership would be interested in electronic voting. Fahrion moved to approve the Bylaw changes as presented, seconded by Fetterman. Motion Carried.

Review Ongoing Donations for the 2022 Budget: Dellinger explained that the ongoing donations are the donations that have been previously granted and continue to receive funding without having to reapply. Sitton asked if we know yet what the total donations budget will be for 2022. He stated the board may want to tweak these amounts based on the budget. Johnson mentioned that when she has the actual budgeted amount for the board, we can address the amounts at that time. Discussion was had about asking some of the organizations that EEA donates to, to come in and do an update on what the organization is doing with the funding. Dellinger stated that we could have the organizations provide us with a letter stating what the funding is being used for. The board would like to have any letters that we receive for donation / sponsorship requests for any of the ongoing list placed in the board packet so that they can review them.

Action Item: Consider moving the October Board Meeting to Accommodate the CREA Energy Innovations Summit: Dellinger explained that the Summit is scheduled for Saturday, October 9, 2021 through Tuesday, October 12 in Denver. The EEA regular board meeting will be Friday, October 8, 2021 which could make it difficult for directors to make it to the CREA director training that starts at 8:00 a.m. Saturday morning. He asked if the board wanted to consider moving the October meeting. Fetterman moved to change the date of the October board meeting to October 15, 2021 to accommodate the board members, seconded by Lindsay. Motion carried.

Select Delegate and Alternative for Basin's Annual Meeting: Dellinger mentioned that the Basin Electric's Annual Meeting is scheduled for November 9 – 11, 2021 in Bismarck, ND. A Delegate and Alternative can be sent to the annual meeting if the Board elects to do so. No Board members were interested in attending this meeting.

Financials: Johnson reported on the financials for June. She went over the debt service loan covenants. She stated that the Tri-State rate reduction credit will be given to the members in September so this will decrease

revenue which will decrease our net margins. She went over the budget variances and stated that we are over budget in distribution maintenance due to outages. Air Products continues to be down which is showing in revenue.

Miscellaneous: Dellinger stated that the Montezuma Solar project was approved by the Montezuma County Commissioners on July 27, 2021. He explained what OneEnergy will be doing to satisfy the neighbors' concerns. Dellinger mentioned that the NISC conversion is still moving along. He stated that he is proud of the supervisors and employees for their involvement in this change. NISC held onsite training this week and the CIS system will go live next week.

The rate structure change continues to move forward. A presentation was done for the Women's League of Voters in July. The Consumer Services Representatives have been fielding numerous calls. We currently have 159 members that have opted into the All-Energy Rate. A discussion was had on the demand charge and how we can make it clearer to our membership. Snyder mentioned that the CSR's are provided with the information needed to speak to our members. If members have questions, please have them call and speak to one of the Consumers Service Representatives.

Dellinger mentioned that if we do a membership survey in conjunction with our strategic planning, he would like to complete it in house without using a third-party company. He also stated that CFC has conducted our strategic planning in the past and he would like to utilize them again in 2022. Board directed Dellinger to contact CFC and set up the 2022 strategic planning forum and to go ahead and do the survey in house.

Dellinger explained the new operational structure with our Engineering Manager Clint Rapier leaving. Ken Tarr is now the Operation and Engineering Manager and Bill Barva as the System Engineer has been given increased duties. They will split the duties that were left by Clint Rapier.

Director Roundtable: Fetterman asked if Ken Curtis with Dolores Water Conservation District could tell us what is going on with the Hydro Pumping plant at McPhee. Curtis stated that this has been off most of the year due to the drought. They aren't releasing enough water to be able to run that plant, but they have been running the Towaoc plant. Fetterman asked if Plateau Creek was still being considered. Curtis explained that they are still unable to get this project to pencil out.

Attorney: Denning provided a written attorney report in the board packet. She stated that she did receive a few emails regarding the Tri-State Resource Plan docket at the PUC. She stated that they are getting setup for the hearings.

Tri-State: Fetterman stated that he was unable to attend the meeting. Tim Rabon is now the new chairman of the Tri-State Board of Directors. Fetterman sent out the Tri-State report to the board members.

CREA: Archibeque stated that there was not a meeting in July and the next meeting will be held on August 26 - 27, 2021 in Grand Lake. He also has a meeting on August 24, 2021.

Western United: Barry stated that there is no report for Western.

Utah Rural Electric Cooperatives Association: Barry stated that the meeting will be held in Bryce Canyon next week and he will be attending this meeting.

FastTrack: Discussed in executive session.

Committees: Sitton updated the Committee list. He went through the list and replaced Bauer with Fahrion and moved a couple of positions around. He suggested that we start having a few of these committees meet, such

as the Bylaws committee and the Survey committee. Archibeque suggested that a scholarship committee meeting be held as well to go over the rubric on determining the scholarship awards. Below is a list of the Committees.

By Law / Articles Committee

Bob Barry, Chairman
David Sitton, ex officio
Norman Butler
Josh Dellinger
Audra Fahrion

Scholarship Committee

Jerry Fetterman, Chairman
David Sitton, ex officio
Kent Lindsay
Larry Archibeque
Bob Barry
Denise Moore

Building Committee

Ken Tarr, Chairman
David Sitton, ex officio
Bob Barry
Kent Lindsay
Norman Butler
Josh Dellinger
Chris Snyder

Rate Design Committee

Jerry Fetterman, Chairman
David Sitton, ex officio
Bob Barry
Kent Lindsay

Rate Design Committee (cont.)

Andy Carter
Ginny Johnson
Josh Dellinger
Chris Snyder

Youth Camp Committee

Denise Moore, Chairman
David Sitton, ex officio
Kent Lindsay
Larry Archibeque
Audra Fahrion
Shawna McLaughlin
Andy Carter

Capital Credit Improvement Committee

Josh Dellinger, Chairman
David Sitton, ex officio
Larry Archibeque
Norman Butler
Jerry Fetterman
Ginny Johnson

Survey Committee

Bob Barry, Chairman
David Sitton, ex officio
Jerry Fetterman
Audra Fahrion
Josh Dellinger
Chris Snyder

Executive Session: Archibeque moved to go into executive session to discuss FastTrack, seconded by Lindsay. Motion carried. Went into executive session at 11:04 a.m. Mollenkopf left the executive session at 11:59 a.m. Came out of executive session at 1:10 p.m.

Adjournment: Meeting adjourned at 1:10 p.m.



David Sitton, President



Jerry Fetterman, Secretary/Treasurer