

EMPIRE ELECTRIC ASSOCIATION, INC.  
MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
DECEMBER 09, 2022

Regular meeting of the board of directors of Empire Electric Association, Inc. was held Friday, December 09, 2022, with the following directors present: David Sitton, Kent Lindsay, Jerry Fetterman, Bob Barry, Larry Archibeque, Norman Butler, and Corey Robinson. Others present: General Manager Josh Dellinger, Attorney Tyler Denning, Executive Secretary / HR Representative Shawna McLaughlin, Financial Manager Ginny Johnson, Operation and Engineering Manager Ken Tarr, System Engineer Dalton Randolph, Business Services Manager Chris Snyder, and Energy Management Advisor Brian Balfour.

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

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 Lindsay. Motion carried.

Membership Input: No membership input.

Monthly Safety Report: Dellinger mentioned that there were no personal injuries. There were two property damages in the report. Truck 27 was stolen from the Nuchu Substation. It was found in an unusable condition being stripped and burned. It was a total loss and insurance has covered replacement costs. Truck 116 was damaged at the resident of the employee while the employee was out of town. It was accidentally backed into by the caretaker and received a small scratch on the rear bumper. Dellinger stated that we are doing a TapRoot analysis on the truck that the engine overheated and we will also be doing an analysis on Truck 27 as well.

Correspondence:

CFC One Card Program 2022 Rebate  
CREA Annual Meeting Information  
Federated Member Update for November 2022

Thank you from:

Gian and Maximillian Peschel thanking Brian Balfour for answering their energy questions.  
Vance Feast thanked Matt Ruggles and his crew for being professional and doing a great job.  
Cecilia Jackson for the add on to her lamb at the San Juan County Fair.  
K-9 Search and Rescue Team for the 2023 Donation and adding them to the ongoing donation list.  
Mesa Hotline School President David Williams for the contribution towards the construction of the new training field.

Policy Review/Action:

Policy 25: Nomination and Election of Officers, Delegates and Alternates (10-09-2020): Dellinger explained that both staff and legal reviewed and no edits are suggested.

**Action Item:** Policy 26: Member Use of The Echoes of the Empire (11-13-2020): Dellinger stated that staff and legal reviewed and there are a handful of suggested edits. He explained that we added customer phone number and email address to the things that need to be included when a member submits an item. We also changed the information due date to 5 weeks prior to the month in which the information will run to give us opportunity to review prior to submission. The witness signature on the submittal form was also removed as it was determined that a witness's signature is not needed. Butler moved to approve Policy 26 as presented with the suggested edits, seconded by Robinson. Motion carried.

General Manager Report:

**Action Item:** Consider Totten Lake Lease Extension: Dellinger explained that we have been working with One Energy / Cortez Solar 1 on an additional 5-year lease extension for the Totten Lake project. Our attorney has reviewed and is satisfied with the language. We also added language to govern what will happen if they default on their obligations. Lindsay moved to approve the Totten Lake Lease Extension, seconded by Robinson. Motion carried.

**Action Item:** Consider the Board District Composition: Dellinger stated that Article III, Section 3 of the Bylaws requires the Board to review the composition of Board districts for equality at least 120 days prior to a board election. The Board typically reviews the district composition during the December meeting. Staff recommends no changes. Fetterman moved to approve the Board District Composition as presented, seconded by Butler. Motion carried.

**Action Item:** Consider the 2023 Consumer Deposit Interest Rate: Dellinger explained that the Board needs to select the 2023 Consumer Deposit Interest Rate. We do an annual survey of local bank interest rates and determine the average. Staff is recommending the rate of .0683% based off of that survey. Last year it was .0433%. Archibeque moved to approve the 2023 Consumer Deposit Interest Rate of .0683%, seconded by Robinson. Motion carried.

**Action Item:** Consider the 2023 Electrify and Save Incentive Proposal: Dellinger stated that Tri-State has released its 2023 rebate program and staff is recommending that we update our program. Energy Management Advisor Brian Balfour explained the changes we are suggesting to the program. Balfour explained what programs are being discontinued and changed. We have eliminated the refrigerator/ freezers, front and top load clothes washers, electric resistance water heaters, Residential LED program, Electric Thermal Storage, Commercial/Industrial/Ag electric motor and Variable Speed Drive incentives and we have adjusted the Commercial LED program to have a \$250 minimum to be eligible for the rebate. Lindsay moved to approve the 2023 Electrify and Save Incentive Proposal, seconded by Archibeque. Motion carried.

Strategic Planning Update: Dellinger stated that staff has been working on the strategic planning goals. He mentioned that Johnson is developing our own in-house tool that members can use to estimate their project costs quickly and easily. Randolph has worked on our system model and is performing load growth analysis. A plan will be developed for system upgrades based on model results. Johnson has been working on grant funding and what it entails. We have determined that this is too big of a job to keep in-house and have selected Aerinet Solutions to help us with grant funding. We have applied for a FEMA grant. This grant is for a project to undergrounding West Fork. We received notice from NRECA that EEA was denied joining their consortium for GRIP funding, therefore we will be submitting an application on our own. Undergrounding lines to protect our infrastructure and reduce wildfire risk is the main goal for grant funding. Carter is working on a framework for educating the Board and employees to better engage with our members on EEA business. EEA continues to explore what will be required to move towards a combined campus, and we continue to monitor the FERC case.

A discussion was had regarding the infrastructure and the effects that the electric vehicles and other loads will have on it.

**Financials:** Johnson reported on the financials for October. She explained the retail peak and how it doesn't show correctly due to the mobile substation. She also discussed why the line loss for October was 3.3%. This is cleaning up an issue that was identified in net metered readings. We are still in line with our financial goals.

**Miscellaneous:** Dellinger stated that the annual director compensation survey was in the packet. CREA is holding a new director orientation on January 26<sup>th</sup>. Dellinger wrote a letter of support for a grant that 4Core is working on with the UMUT. If successful, the UMUT will receive grant funds to educate tribal members on electric vehicles. He reminded the Board that the EEA Christmas parties are tonight for the kids and tomorrow night for the adults. He also stated that Chip Marks with CFC will be retiring at the end of this year.

**Director Roundtable:** Robinson stated that he attended the Tri-State new director orientation last week and that it was very interesting.

**Attorney:** Denning provided a written report. He stated that he didn't have anything to add to what was in his written report.

**Tri-State:** Fetterman reported on the Tri-State meeting. He stated that they had a presentation by Southwest Power Pool's (SPP) Mike Ross. SPP is moving towards a decision point next year on their participation in the expansion of the regional transmission organization (RTO) into the Western Interconnect. Fetterman passed around a checklist on what the RTO can do for rural cooperatives. Tri-State discussed capital credits, and the directors voted to authorize \$10 million in patronage capital to the membership. The financial situation with Tri-State isn't very favorable currently due to drastically increasing costs. Expectations are that there will be rate pressure over the next couple of years. Dellinger attended two rate committee meetings since the last board meeting. There was a proposed rate presented yesterday and they are hoping to move the recommendation to the board up a few months so that Tri-State can file as early as May. The proposal is a formulary rate that is updated annually. There will likely be some rate stabilization methods included. He discussed the proposal with the Board.

**CREA:** Archibeque reported on the CREA meeting. He stated that he was speaking to other cooperative managers at the CREA meeting, and they mentioned that Josh Dellinger is an outstanding manager and person. Archibeque reported on a discussion about CREA changing the structure of their board meetings from being report driven to topic driven. He said that CREA staff has been speaking with several key groups to gather information to create proposed amendments to Xcel's draft resource adequacy bill to make it something co-ops can support. CREA is going to take over the Rocky Mountain Utility Exchange in 2024. They are trying to figure out how to make RESAP more efficient and how to incorporate Cyber Security. Jenna Hirsch was hired as the new Safety and Loss Director. Archibeque also mentioned that they reviewed the executive directors contract. A discussion was had regarding the Avian Protection policies.

**Western United:** Barry reported on the Western United meeting. The report is in the packet. He continues to believe that this is a good strong company and expects them to continue to grow.

**Utah Rural Electric Cooperatives Association:** Barry stated that Jeff Peterson will be going to work for Deseret, and they will be looking for a new Executive Director. The December meeting will be held next week.

**FastTrack:** Report will be in executive session.

Committees: Lindsay reported that scholarship applications are out, and the scholarship committee will be getting together to go over these. Fetterman will get this meeting scheduled.

Executive Session: Robinson moved to go into executive session for discussion of FastTrack and personnel matters, seconded by Lindsay. Motion carried. Went into executive session at 10:56 a.m. Staff was excused from executive session at 11:10 a.m. Came out of executive session at 11:35 a.m.

**Action Item:** Archibeque moved to approve a 4.5% wage increase for GM Josh Dellinger, seconded by Lindsay. Motion carried.

**Adjournment:** Meeting adjourned at 11:40 a.m.



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David Sitton, President



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Jerry Fetterman, Secretary/Treasurer