

EMPIRE ELECTRIC ASSOCIATION, INC.  
MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
December 8, 2023

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, December 08, 2023, with the following directors present: Kent Lindsay, Jerry Fetterman, Norman Butler, Bob Barry, 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, Business Service Manager Chris Snyder, Member Engagement Manager Andy Carter, and System Engineer Dalton Randolph. Absent was President David Sitton and Director Larry Archibeque.

Others present in person: Tri-State CEO Duane Highley, Members Patrick and Brandi Piller and Bill Mollenkopf

Others present by Web Conference: Members Emiko South and Ken Curtis

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

Approve Consent Agenda:

**Action Item:** Robinson moved to approve the consent agenda as presented, seconded by Fetterman. Motion carried.

Membership Input: None

Monthly Safety Report: Dellinger stated that there were no personal injuries and no property damage. The summaries from the latest safety meetings are in the board packet.

Presentation by Tri-State CEO Duane Highley: Highley thanked the Board for inviting him to come to the meeting. He gave a presentation on changes and updates that are going on within Tri-State. He spoke about the New ERA grant funding that Tri-State will be applying for that will help Tri-State achieve its updated Electric Resource Plan (ERP). Highley expressed that there are many changes and challenges that Tri-State will be facing over the next several years, but he is very optimistic about the future.

Correspondence:

- Federated Membership Update – November 2023
- CFC One Card Program Rebate
- CREA Annual Meeting Information
- Tri-State Capital Credit retirements

Thank you letters:

- Kiara Lingenfelter for the scholarship
- Southwest Colorado Concerts for annual sponsorship
- Dolores County Jr. Rodeo 4-H and Fair for the annual donation
- Dolores County Livestock Program for annual donation
- Pleasant View Charter School Harvest Carnival for the silent auction items

Policy Review/Action:

Policy 56: Interconnection of Distributed Energy Resources (08-12-2022): Dellinger stated that staff and legal reviewed and no edits are suggested.

Policy 1: Code of Ethics (12-10-2021): Dellinger stated that staff and legal reviewed and no edits are suggested.

General Manager Report:

**Action Item:** Consider the 2024 Board District Compositions: Dellinger stated that our Bylaws require an annual review of district composition, and the board typically performs this review in December. The average number members per district is 1913. Our members are reasonably spread out among the districts and staff does not recommend any changes. Robinson moved to approve the current Board District boundaries with no changes, seconded by Fetterman. Motion carried.

**Action Item:** Consider the 2024 Consumer Deposit Interest Rate: Dellinger explained that we conduct an annual survey of local bank interest rates, and we use the average to determine our consumer deposit interest rate. The average rate from our most recent survey is 0.0766%, which is slightly higher than the 2023 survey. We recommend using 0.0766% as our 2024 consumer deposit interest rate. Robinson moved to approve the 2024 Consumer Deposit Interest Rate as presented, seconded by Barry. Motion carried.

**Action Item:** Annual Review of Deferred Revenue Plan: Dellinger mentioned that per regulations, we must review the Deferred Revenue Plan annually. Johnson explained that we have some deferred revenue that is scheduled to be used in 2024 but if we don't need to utilize this, we can update the plan next year and continue to defer it. It is in the 2024 budget and was approved by the board in November. Butler moved to approve the Deferred Revenue Plan with no changes, seconded by Robinson. Motion carried.

**Action Item:** Consider the 2024 Rebate Program: Dellinger stated that Tri-State has been working on their rebate program and made a handful of changes from their 2023 program. Carter explained these changes. Staff recommendation is to continue following Tri-State's program. Robinson moved to approve the 2024 Rebate Program as presented, seconded by Barry. Motion carried.

**Action Item:** City of Cortez Franchise Agreement: Dellinger stated that we have received the final draft of the franchise agreement with the City of Cortez. The changes are minor and if the board approves the agreement, we will continue to serve the City of Cortez in much the same way as we have in the past. Dellinger discussed the changes. Fetterman moved to approve the City of Cortez Franchise Agreement as presented, seconded by Robinson. Motion carried.

Strategic Planning Update: Dellinger stated that the quarterly strategic planning update is in the packet for board review. He highlighted each of the goals and explained our efforts over the past several months.

Financials: Johnson reported on the financials for October. She stated that the numbers show that we are under budget due to timing differences. We also continue to operate within all our financial goals.

Miscellaneous: EEA received a request from the City of Cortez to assist them in evaluating a solution for the lights at the South Cortez Ballfield Complex. Bulbs need to be replaced and mounting structures need to be repaired. The city also reached out to Tri-State for assistance. We will work with both the City and Tri-State to determine how best to address the issues.

In the past, the board has mentioned that we should keep the members informed on EEA's accomplishments. Carter has written articles for the CCL regarding our KRTA results and our strategic planning efforts.

CREA's annual director's compensation was in the packet for the board to review.

Dellinger mentioned that we continue to work with the Army Corp of Engineers to try to get the lines reburied up the Dolores River.

Dellinger stated that we closed on the Totten Lake property sale on November 28<sup>th</sup>. The sale and closing process went very smoothly. The only parcel we now own in that area is the 35-acre piece that houses the solar project.

Dellinger mentioned that the EEA's Kids Christmas party is tonight and the adult party is next weekend.

Director Roundtable: None

Attorney: Denning spoke about assisting EEA with the Totten Property sale by reviewing the proposed Purchase and Sale Contract. He also reviewed the proposed Collective Bargaining Agreement and provided advice regarding a third-party cyber issue.

Tri-State: Fetterman stated that with Highley's presentation he doesn't have much to add. Dellinger stated that he was elected to be on Tri-State's Technical Advisory Committee. One of the discussions in this committee is reducing the Tri-State Board size. EEA's board feels strongly that we need to have one of our board members on the Tri-State board. The board also recommended that Dellinger be appointed to the Contract Committee.

CREA: Archibeque is absent and will report on the CREA in January's meeting. Dellinger stated that our Colorado representative to the NRECA board is up for election if any of our board members are interested in running.

Western United: Barry stated that their meeting is coming up, so he has no report.

Utah Rural Electric Cooperatives Association: Barry reported on the URECA meeting. Lexie Little is now on staff full time. Dues have been increased for the cooperatives.

FastTrack: Report will be in executive session.

Committees: There will be a building committee meeting immediately after today's board meeting. Scholarship applications are being accepted and the deadline for them to be submitted is February 15, 2024.

Executive Session: Butler moved to go into executive session to discuss the FastTrack report and to receive legal advice, seconded by Robinson. Motion carried. Went into executive session at 11:30 a.m. Came out of executive session at 11:41 a.m.

**Adjournment:** Meeting adjourned at 11:41 a.m.



Jerry Fetterman, Secretary/Treasurer

  
Kent Lindsay, Vice President