

EMPIRE ELECTRIC ASSOCIATION, INC.  
MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
February 9, 2024

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, February 9, 2024, with the following directors present: David Sitton, Kent Lindsay, Bob Barry, Larry Archibeque, Norman Butler, and Corey Robinson. Others present: General Manager Josh Dellinger, Executive Secretary / HR Representative Shawna McLaughlin, Financial Manager Ginny Johnson, Operation and Engineering Manager Ken Tarr, Member Engagement Manager Andy Carter, and System Engineer Dalton Randolph. Appearing by web conference: Director Jerry Fetterman, Business Service Manager Chris Snyder, and Attorney Tyler Denning.

Others present by Web Conference: Members Heidi Brugger and Emiko South.

President Sitton 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 Archibeque. Motion carried.

Membership Input: None

Monthly Safety Report: Dellinger stated that there was one personal injury with a slip and fall that did not require any medical attention and there was no property damage. The summaries from the latest safety meetings are in the board packet.

Correspondence:

- Federated Member Update – January 2024
- CoBank Notice of 2024 Director Election

Thank you letters:

- San Juan County Public Library for annual donation
- The Four Corners Child Advocacy Center for annual donation
- Wildfire Adapted Partnership for annual donation
- Southwest Colorado Canyons Alliance for the annual donation
- Pinon Project for annual donations
- Crow Canyon for annual donation
- Four Corner's Band for donation
- The Galloping Goose for the annual donation
- Monticello Parks & Beautification for their Merry & Bright Lightening Competition gift certificates
- The Bridge Emergency Shelter for the annual donation
- Workers' Compensation Coalition for the annual donation
- Hospice of Montezuma for the annual donation

Policy Review/Action:

**Action Item:** Policy 4: Withdrawal of Funds from Bank Accounts (01-14-2022): Dellinger stated that staff and legal reviewed and there are a few minor grammatical edits suggested. Butler moved to approve Policy 4 as presented, seconded by Robinson. Motion carried.

**Action Item:** Policy 5: Short Term Investments (02-11-2022): Dellinger stated that staff and legal reviewed and there are a few minor grammatical edits suggested. Lindsay moved to approve Policy 5 as presented, seconded by Robinson. Motion carried.

General Manager Report:

**Action Item:** Consider Capital Credit Retirement Proposal: Dellinger stated that in January's Board Meeting, the Capital Credit proposal was tabled so that the Board could hold a workshop to review capital credit processes, general practices, and considerations on how to handle non-operating margins/OTHER capital credits. During the workshop, two scenarios were asked to be considered: (1) continue to allocate and retire non-operating margins/capital credits as we have in the recent past; and (2) allocate and retire the cash-received portion of OTHER capital credits but not interest income. Butler moved to approve scenario 2, seconded by Archibeque. Motion carried.

Financials: Johnson reported on the financials for November. She stated that the financials are preliminary due to the Kinder Morgan reconciliation. She will have the Kinder Morgan reconciliation available for the board to review at March's board meeting. Our margins are healthy, and we did not incur some budgeted expenses in 2023, so we could defer revenue if the board desires. We could defer about \$325,000. Consensus of the board is that they are interested in seeing a deferral proposal. Johnson will prepare a deferral proposal for the board to consider at March's meeting. We continue to be strong financially and meet all our financial goals. Johnson gave an update on grant funding. Two projects have made it past the first stage. We are still awaiting news on the others.

- Undergrounding overhead lines in fire danger areas in CO. Applied both individually and as part of a consortium. Awaiting news.
- Undergrounding overhead lines in fire danger areas in UT. Awaiting news.
- Upgrading protective devices that serve fire danger areas to include more advanced fault-detecting capabilities. State of CO reviewed and made recommendation to the DOE for funding. No news yet from the DOE.
- Utilizing advanced vegetation inspection and modeling techniques to enhance our vegetation management program. State of CO reviewed and made recommendation to the DOE for funding. No news yet from the DOE.
- Upgrading distribution transformers to allow members to increase load without having to pay for a transformer upgrade. Awaiting news.
- Community solar garden. Awaiting news.

Miscellaneous: Dellinger stated that we received all needed permits and approvals from the US Army Corps of Engineers (USACE) and the US Forest Service to rebury a portion of exposed underground cable in the Dolores River. He has sent thank you notes to the appropriate offices that were involved with helping us get this completed. USACE informed us that if it washes out again, they will not issue another permit and we will be forced to go overhead. We are working on obtaining the necessary overhead easements in case we must utilize them in the future.

The Tri-State Annual meeting is coming up on April 2 – 3, 2024.

Dellinger gave an update on the Tri-State FERC cases. FERC issued its CTP order in late December. The order adopted a modified balance sheet approach that seems to yield results that are similar to Tri-State's proposed debt covenants obligations approach. Tri-State provided its members with CTP estimates using FERC's methodology. Several parties have requested a rehearing. FERC has not yet ruled on those requests.

Tri-State submitted their answers to the deficiency letter regarding their rate filing and others submitted protests to Tri-State's answers. FERC has not yet issued a ruling.

FERC has opened a new docket for the United Power withdrawal / settlement proceedings. United and Tri-State are entering into an agreement that defines how United will withdraw and outlines what facilities United will buy from Tri-State. Dellinger has entered EEA as an intervenor so that we have a seat at the table if we need it.

Dellinger stated that HB23-1039 was passed and signed last year. This requires load serving entities to submit resource adequacy reports to the Colorado Energy Office, or to designate an Authorized Agent to submit such reports on behalf of the entity. Under our Wholesale Electric Service Contract, Tri-State is responsible for ensuring it has adequate resources to supply our load. Therefore, it is appropriate for Tri-State to submit resource adequacy reports on our behalf. Dellinger sent a notice to the CO Energy Office designating Tri-State as our Authorized Agent for resource adequacy reporting purposes.

The Sun Bear Solar project open house is tonight at the Ute Mountain Ute Tribe Casino. Dellinger is planning on attending and asked the board if they would like to go with him. Robinson, Sitton, Archibeque, and Lindsay are planning on attending.

Director Roundtable: None.

Attorney: Denning provided a written report in the board packet. He reviewed a franchise agreement for Mancos which didn't require changes. He will discuss an easement issue that he has been working on in the executive session.

Tri-State: Fetterman reported on the Tri-State Board meeting. He stated that there was a strategic planning session this month. There was a presentation by NRECA and there was a breakout session to discuss the Bring Your Own Resources (BYOR) partial requirements proposal. They are discussing selling the building that they are currently in and leasing a smaller space. Dellinger stated that Tri-State peaked in December on the 26<sup>th</sup> at 6:00 p.m. They have 759 megawatts of wind and solar capacity, but of that only 37 MW (about 5%) was available during this peak. This shows that they still have to have base load during these peak times to meet demand.

CREA: Archibeque reported on the CREA Board meeting. Dennis Herman from Highline Electric was selected as the NRECA representative. Kent Singer was asked to have more of a presence within the cooperatives. He will be attending annual meetings and at least one board meeting for each of the cooperatives. They had a presentation by Mr. Hoss from NTUA about the Light Up Navajo project. They are trying to do service projects in the US instead of overseas. They have seven coops participating in Light up Navajo. Jenna Hursh will be presenting a VISA workshop, and each coop will be able to send 2 employees. This workshop is September 23 and 24<sup>th</sup>. Archibeque has also been elected as the CREA Board of Directors Vice President. Dellinger stated that every year at the annual meeting, awards are given out for Colorado Country Life magazine articles. Andy Carter won the Best Community Story category for his E-Bike Program Rolls Forward article.

Western United: Barry reported on the WUE Board Meeting. He attended their annual meeting that was in conjunction with CREA's annual meeting. Barry stated that Western continues to be financially strong.

Utah Rural Electric Cooperatives Association: Barry reported on the URECA Board meeting. He stated that the meeting was in St. George. The majority of the meeting was regarding Utah legislation. Utah had nine bills that relate to cooperatives that went to the floor. At the next meeting they will take a tour of Lake Powell's Dam.

FastTrack: Report will be in executive session.

Committees: The Youth Tour and Leadership Camp Committee met and selected the following recipients.

Cambree Chamberlain – Washington D.C. Youth Tour

Teagan Archer – Steamboat Springs Leadership Camp


Randi Lewis – Steamboat Springs Leadership Camp

Butler moved to approve the selected Youth Tour and Leadership Camp Recipients, seconded by Robinson.

Motion carried.

Executive Session: Archibeque moved to go into executive session to discuss the FastTrack report, personnel matters, and to receive legal advice, seconded by Lindsay. Motion carried. Went into executive session at 10:06 a.m. Staff was asked to leave at 10:32. Came out of executive session at 11:05 a.m.

**Adjournment**: Meeting adjourned at 11:05 a.m.

  
David Sitton, President  
Jerry Fetterman, Secretary/Treasurer