

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
January 12, 2024

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, January 12, 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, 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. Appearing by web conference is Director Jerry Fetterman.

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

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 were no personal injuries and no property damage. The summaries from the latest safety meetings are in the board packet.

Correspondence:

- NISC 2023 Capital Credit Summary
- CRC Notice of Board Director Election
- Western United Patronage Retirement Statement
- Federated Member Update – December 2023

Thank you letters:

- Betty Gilpin for the plant for Brian Balfour's grandfather's services.

Policy Review/Action:

Policy 2: Whistleblower (12-10-2021): Dellinger stated that staff and legal reviewed and no edits are suggested.

Policy 3: AMI Relocation and Opt Out (01-14-2022): Dellinger stated that staff and legal reviewed and no edits are suggested.

General Manager Report:

Review the Director and Staff Conflict of Interest Disclosure Statements: Dellinger explained that both the directors and staff recently filled out their annual conflict of interest disclosure statements per Policy 13. These statements are in the board packet for review. The board reviewed them and there were no concerns.

Review the 2023 Directors Expense and Compensation Report: Dellinger stated that Policy 15 requires the Board to annually review the director's expenses for the past year. The summary of expenses is in the Board packet for review. The Board reviewed the report and there were no concerns.

Review Annual Identity Theft Protection Measures per Policy 45: Dellinger explained that Policy 45 calls for the Board to do an annual review of our identity theft protection measures. The report is in the packet for the Board to review. Snyder explained the report and the measures that EEA is taking to keep member and staff information secure and confidential. Discussion was had regarding the remote employees and their security from their remote workstations. Snyder explained the measures we take to establish secure connections.

Action Item: Consider Capital Credit Retirement Proposal: Dellinger stated that Johnson put together a proposal for the board to consider and a summary of the proposal. He mentioned that in the summary, there are items that they would like the board to consider regarding how to handle non-operating margins. Dellinger explained what we have done in the past and how recently our non-operating margins have increased mainly due to higher interest earnings. Discussion ensued. Sitton suggested that we hold a workshop to educate the board on possible methodologies and further discuss capital credit options. The Board agreed and decided to table a decision until after the workshop. The Board agreed to have a capital credit workshop on January 22, 2024 at 8:00 a.m.

Action Item: Select Delegate and Alternate for NRECA Annual Meeting: Dellinger explained that the NRECA Annual meeting event is scheduled for March 3 – 6 in San Antonio, TX. Sitton stated that he will attend the meeting if his schedule allows it. Robinson nominated Sitton as the Delegate, seconded by Butler. Motion carried.

Action Item: Select Delegate and Alternate for NRECA Colorado Annual Meeting: Dellinger explained that the NRECA Colorado Annual Meeting, the CREA Annual Meeting and the WUE Annual Meeting will be held January 31 – February 3. We will need to select Delegate and Alternates for all three meetings. Lindsay nominated Archibeque as the Delegate for the NRECA Colorado Annual Meeting and Barry as the Alternate, seconded by Robinson. Motion carried.

Action Item: Select Delegate and Alternate for CREA Annual Meeting: Robinson nominated Archibeque as the Delegate of the CREA Annual Meeting and Barry as the Alternate, seconded by Lindsay. Motion carried.

Action Item: Select Delegate and Alternate for WUE Annual Meeting: Robinson nominated Barry as the Delegate for the WUE Annual Meeting and Archibeque as the Alternate, seconded by Lindsay. Motion carried.

Financials: Johnson reported on the financials for November. She stated that operating expenses are very close to budget. The operating margin is better than forecasted. We continue to be within financial goals. She also mentioned that two grants were submitted this week.

Miscellaneous: Dellinger stated that we received an informal complaint about a heat pump rebate. The member had installed two units and was upset that he didn't get two rebates. He only qualified for one rebate for the system. Member Services had been in communication with him the entire process informing him of the amount of rebate that he would receive. Dellinger corresponded with him denying the second rebate.

Dellinger mentioned that we are working through an easement issue with one of our members.

Director Roundtable: Archibeque mentioned that he received several emails that he will share in the executive session. Fetterman stated that we need to update the director map on the website. Carter stated that he will get this corrected.

Attorney: Denning provided a written report in the board packet. He mentioned that he has been working on the easement issue as well as a copyright issue. The copyright issue was likely a fishing attempt and seems to have been resolved.

Tri-State: Fetterman reported on the Tri-State Board meeting. The December board report is in the packet. He emailed the January one to the board. He discussed the Tri-State and United Power settlement.

CREA: Archibeque reported on the CREA Board meeting. He stated that the CREA Board members went through harassment training. Steve Valdez will be CREA's new Board President after the annual meeting.

Western United: Barry reported on the WUE Board Meeting. He summarized their financials and inventory. They are still having issues supplying larger transformers. The annual meeting will be held on February 1st.

Utah Rural Electric Cooperatives Association: Barry reported on the URECA Board meeting. He stated that there are twelve bills in legislature pertaining to power and cooperatives. They have a golf tournament and pheasant hunt coming up in April. The legislative meeting will be held on February 1st and 2nd. Barry stated that there was discussion regarding the Delta Power Plant.

FastTrack: Report will be in executive session.


Committees: Dellinger stated that the EEA Building Committee met after December's Board meeting to discuss results from the programming phase of the HQ to E&O campus project. Snyder explained that during the programming phase, EEA staff worked with an architect to determine space requirements, determine the most cost-effective option for developing a headquarters space, develop a draft floor plan, and develop a high-level cost estimate. He showed a floor plan that could be considered. EEA staff developed a financial model that considered the cost of building a new facility, the cost of staying in our current building, and revenue that could be used toward the project. The committee discussed options for completing the project without increasing rate pressure. It was determined that we could complete the project with little to no upward rate pressure by using funds from the FastTrack sale, Totten property sale, and Employer Retention Tax Credit. The committee recommends to the board that we proceed down this path. Board consensus is to move forward as recommended by the committee. The next step is to explore contractors who are interested in building the project.

Executive Session: Archibeque moved to go into executive session to discuss the FastTrack report, a personnel matter and to receive legal advice, seconded by Robinson. Motion carried. Went into executive session at 10:49 a.m. Staff were asked to leave the executive session at 11:27 a.m. Came out of executive session at 12:32 p.m.

Adjournment: Meeting adjourned at 12:32 p.m.



Jerry Fetterman, Secretary/Treasurer



David Sitton, President