

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
January 14, 2022

Regular meeting of the board of directors of Empire Electric Association, Inc. was held Friday, January 14, 2022, with the following directors present: David Sitton, Kent Lindsay, Jerry Fetterman, Bob Barry, Norman Butler and Audra Fahrion. Others present: General Manager Josh Dellinger, Attorney Tyler Denning, Operation and Engineering Manager Ken Tarr, Member Engagement Manager Andy Carter, Executive Secretary / HR Representative Shawna McLaughlin, Financial Manager Ginny Johnson, System Engineer Bill Barva. Others present by Web Conference: Director Larry Archibeque, FastTrack Representative Bill Mollenkopf, and Business Services Manager Chris Snyder.

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

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

Approve Consent Agenda:

Action Item: Barry moved to approve the consent agenda, seconded by Butler. Motion carried.

Action Item: Consider General Counsel Engagement Letter: Dellinger explained that the Board needs to formally approve Newbold Chapman and Geyer as our new general counsel. Lindsay moved to approve Tyler Denning with Newbold Chapman and Geyer as EEA's general counsel, seconded by Barry. Motion carried.

Membership Input: None

Monthly Safety Report: Dellinger stated that there were no personal injuries and there were no property damages.

Correspondence:

NISC 2021 Patronage Retirement
Western United Patronage Retirement
Federated Member Equity Account Statement and refund
CRC Report from the Boardroom

Thank you letters:

Four Corners Board of Realtors for the sponsorship of the Dean Hanson Memorial Golf Tournament.
Charles and Joyce Jones for Empire's hard work and services to restore outages over the holidays.
Mr. and Mrs. Elmer Hall for restoring the outages over the holidays.
Lauren Butler for the scholarship.

Policy Review/Action:

Action Item Policy 3: AMI Relocation and Opt Out (12-13-2019): Dellinger explained that there are a few minor suggested edits. Lindsay moved to approve Policy 3 as presented, seconded by Lindsay. Motion carried.

Action Item: Policy 4: Withdrawal of Funds from Bank Accounts (11-18-2019): Dellinger explained that there are a few minor suggested edits. He discussed the RFQ's banks have submitted in the past and that those responses indicated that most of the local banks don't have the infrastructure to meet our requirements. Our current bank

is Vectra who we have been happy with. Fahrion moved to approve Policy 4 as presented, seconded by Lindsay. Motion carried.

General Manager Report:

Review Annual Identity Theft Protection Measures per Policy 45: Dellinger explained that Policy 45 calls for an annual report of our efforts to protect against identity theft. This report was placed in the packet for the Board to review. Snyder explained some of the security items that have been put in place with the NISC platform to protect the members. The Board reviewed the measures and have no concerns.

Action Item: Consider 2022 Member Survey Proposal: Dellinger explained that the Survey Committee met on December 13, 2021. The proposed survey is in the board packet. The committee recommended that we offer online and paper options for completing the survey and that it will go out to all members. Incentives for participating will not be offered. Paper options along with a web link will be sent in a monthly billing statement for those who receive paper bills. The web link will be sent to those who have paperless billing. We will advertise the survey through our normal channels. Paper copies will also be available at our main office if someone would like to pick one up. The surveys will begin distribution the week of January 17, 2022 and will close on March 27, 2022 if the board approves. Sitton asked the Survey committee if we should have a question regarding how the membership feels about EEA's involvement with Tri-State. A discussion was had around this question and the value it would have on the survey. Lindsay also suggested including a question regarding whether EEA should get involved in providing fiber to our members. Carter and Snyder will come up with questions and send them out to the board the first of next week. If we can get consensus by early next week, the survey will begin being distributed by the end of next week.

Action Item: Consider 2022 Capital Credit Retirements: Dellinger mentioned that Johnson has prepared a recommendation for our 2022 capital credit retirements, and the recommendation was included in the board packet. Johnson explained her recommendation is to retire approximately \$1,691,449.84. Fetterman moved to approve the 2022 Capital Credit Retirements as proposed, seconded by Lindsay. Motion Carried.

Review Deferred Plan Revenue: Dellinger explained that the deferred revenue plan calls for an annual review. Johnson stated that this plan was approved by the board in 2021 and that staff is not recommending any changes for 2022. She also included our long-term financial forecast and explained that forecast. The Board reviewed the plan revenue with no changes to be made.

Action Item: Select Delegates and Alternates for NRECA Annual Meeting: Dellinger explained that this meeting is March 4 – 9, 2022 in Nashville or they can attend virtually. Lindsay moved to appoint Archibeque as Delegate and Dellinger as Alternative, seconded by Barry. Motion Carried.

Action Item: Select Delegates and Alternates for CREA Annual Meeting: Lindsay moved to appoint Archibeque as Delegate and Barry as Alternative, seconded by Fetterman. Motion Carried.

Action Item: Select Delegates and Alternates for WUE Annual Meeting: Lindsay moved to appoint Barry as Delegate and Archibeque as Alternative, seconded by Fetterman. Motion Carried.

Action Item: Consider DER Interconnection Application Fee: Dellinger explained that we have seen an increase in applications over the last couple of years and have seen a decline in completed applications. Staff is requesting an application fee with an additional fee each time the application must be resubmitted. Carter explained why fees are being requested and how the fee amounts were determined. Butler moved to approve the DER Interconnect application fee as presented, seconded by Fahrion. Motion Carried.

Review Annual Directors Expense and Compensation Report per Policy 15: Dellinger stated that per Policy 15, the Directors are required to review their annual expenses and compensation. The report is in the packet.

Action Item: Select FastTrack Board Representative: Dellinger stated that it was mentioned in last month's meeting that Mollenkopf would like to be replaced as the FastTrack Representative. Barry stated that he feels that we should have a Board member attend the meetings. Butler moved to appoint Barry as the FastTrack Representative, seconded by Lindsay. Motion Carried.

Consider moving the February Board Meeting to Accommodate Travel to CREA Annual Meeting: Dellinger stated that the CREA Annual Meeting begins on February 12, 2022 in Denver. The EEA Board meeting is scheduled for February 11, 2022. The two Board members that will be attending the meeting stated that they could leave for Denver after the regular meeting on Friday. The Board will keep the February 11, 2022 meeting on that date.

Financials: Johnson reported on the financials for November. She stated that financials continue to look good. She pointed out a few highlights. She stated that Air Products is back to 100% of operations so that revenue will begin to show. We are showing distribution expenses over budget due to numerous outages.

Miscellaneous: Dellinger mentioned that he received an RFP for EZ Blockchain. This is a blockchain mining company out of Chicago and they are looking for a place to build new mining operations. He worked with Tri-State to put together a proposal. The proposal has been submitted.

Director Roundtable: Barry mentioned that he would like to go to the Meet the Legislatures along with a rural caucus sponsored by URECA. The Board agrees that he should attend this event.

Attorney: This was Tyler Denning's first meeting as counsel for EEA. Denning discussed that his firm is getting EEA's files transferred from MBBS. The file is extensive, and they will get all the pertinent documents. He is monitoring the Tri-States proceedings. The Ute Mountain right of way is going in front of tribal council for approval the end of this month and the joint use will go to the council next month. He is working on the joint use agreement with Century Link and will focus on this over the next week.

Tri-State: Fetterman reported on the January meeting. He attended the meeting virtually and sent a copy of the highlights of the meeting to the Board. He highlighted on the FERC proceedings. He stated that the rate design committee was announced, and Dellinger will be on that committee. The eastern Colorado transmission project was approved. The strategic planning session will be held in February.

CREA: Archibeque stated that there wasn't a meeting. The next meeting will be the end of January.

Western United: Barry stated that there was not a meeting this month. He discussed the financial report and the struggle they are having on getting materials.

Utah Rural Electric Cooperatives Association: Barry stated that the next meeting will be on January 27, 2022 that he won't be able to attend.

FastTrack: Report will be in executive session.

Committees: The Survey Committee and Bylaw Committee meet on December 13, 2022. Survey committee reviewed questions for the Member Survey and there were no bylaw changes recommended.

Executive Session: Butler moved to go into executive session for the FastTrack report and Conexon, Barry seconded by . Motion carried. Went into executive session at 10:58 a.m. Came out of executive session at 11:30 a.m.

Adjournment: Meeting adjourned at 11:30 a.m.



Kent Lindsay, Vice President

/s/ Jerry Fetterman

Jerry Fetterman, Secretary/Treasurer