

EMPIRE ELECTRIC ASSOCIATION, INC.  
MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
July 09, 2021

Regular meeting of the board of directors of Empire Electric Association, Inc. was held Friday, July 09, 2021 with the following directors present: David Sitton, Kent Lindsay, Jerry Fetterman, Bob Barry, Larry Archibeque, Norman Butler and Audra Fahrion. Others present: General Manager Josh Dellinger, Attorney Shay Denning, Financial Manager Ginny Johnson, Engineering Manager Clint Rapier, Member Engagement Manager Andy Carter, Business Services Manager Chris Snyder, Operation Manager Ken Tarr, and Executive Secretary / HR Representative Shawna McLaughlin. Also in attendance were FastTrack Representative Bill Mollenkopf who arrived in person at 9:50 a.m. and FastTrack General Manager Kelly Hebbard who arrived at 10:15 a.m.

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 Barry. Motion carried.

Membership Input: None.

Monthly Safety Report: Dellinger stated that there were no personal injuries or property damages. The Employee Annual Safety Luncheon will be held in September. The RESAP inspection has not been completed yet and the Health and Safety Committee continues to work on the Safety Improvement Plan. Tarr mentioned that NRECA has extended an invite to present our Safety Improvement Plan at their annual safety meeting. We cannot attend this year's meeting, but plan to present next year.

Correspondence:

General Correspondence:

CRC Report from the Boardroom.

Thank you from:

Kennedy Brewer, Cory Bunker, Delaney Maness, and Joseph Tevault for the Scholarships.

Policy Review/Action:

**Action Item:** Policy 47: Anti-Nepotism (03-08-19): Dellinger explained that the Anti-Nepotism policy was sent to Employers Council for review. The attorney changed the language to match the state laws. The state law has a clause about spouses that we needed to speak directly to within the policy. Discussion was had regarding the definition of Close Relative and whether it should include distant relatives that live in the same household of the principal person. Consensus of the board was to remove that clause from the definition. Barry moved to approve Policy 47 with the clause removed, seconded by Butler. Motion carried.

**Action Item:** Policy 48: Harassment (05-10-19): Dellinger explained that this policy was also sent to Employers Council for review. He explained that the attorney re-wrote the language of the policy, but the intent is the same. The attorney made the language match EEO guidelines and state laws. Fetterman moved to approve Policy 48 as presented, seconded by Lindsay. Motion carried.

July 09, 2021

Page | 1

General Manager Report:

**Action Item:** Select Voting Delegate and Alternate for Tri-State Annual Meeting: The Annual Meeting will be held on August 6, 2021 in Denver. Board appointed Jerry Fetterman as the delegate by acclamation.

**Action Item:** Calvin Denton Room Discussion: Dellinger mentioned that we have had the Calvin Denton Room closed to the public since the pandemic hit. The usage of the room has been declining over the last couple of years. Staff is wondering if the board will allow us to keep the room closed to the public and available only for EEA use. He explained that we have found benefits of not having it open so that the employees have more flexibility in using the room for different trainings and meetings. Dellinger noted that another option could be to make the room available only on weekends and to begin charging a rental fee for the room due to the staff time needed to keep the room available to the public. Discussion followed. Archibeque moved to keep the room available to members of the public with staff having the right to black out days that the room will be needed by EEA and increasing the refundable cleaning deposit to \$100.00 with no rental fee, seconded by Lindsay. Motion carried.

**Action Item:** Delegate Livestock Purchaser for Montezuma County and San Juan County Fairs: Barry mentioned that Dolores County Extension Office has a new livestock program and they are asking for a donation to get that program started for 2021. Discussion was had about using the board discretionary funds to support the Dolores County Livestock Program. Barry moved to donate \$500 of discretionary funds for the Dolores County Extension Office new livestock program, seconded by Lindsay. Motion carried.

It was discussed who could attend the livestock auctions on behalf of EEA for both the Montezuma and San Juan County fairs. The board appointed by acclamation Lindsay and Fahrion as buyers for the Montezuma County Fair and Barry and Archibeque as buyers for the San Juan County Fair.

**Strategic Planning Update:** Dellinger stated that we continue to make progress on our strategic planning goals. The rate structure change and the NISC conversion have taken up the majority of our time. A discussion was had on having our IT Manager Heather Romero do cyber security training for the board.

**Financials:** Johnson reported on the financials for May. She mentioned that our peak demand was extremely low, the lowest it has been in recent history. This was because Kinder Morgan and Air Products loads are down. The decrease doesn't affect us very much because their power costs are nearly a direct pass through of our Tri-State costs. Most of our margin comes from the customer charge for these loads. The budget comparison isn't robust yet because we are still learning how to extract data from our new NISC system. The reports should look different at next month's meeting.

**Miscellaneous:** Dellinger explained that the Montezuma Solar Project is still moving along. It went to the County Commissioners in June. It has been tabled by the Commissioners due to some of the neighbors being against the project. They had some concerns regarding prairie dog mitigation. It will go back to the Commissioners at their July 27 meeting. Our developer is going to go back to the neighbors to see what they can do to remedy their concerns.

Director Roundtable: None.

Attorney: Denning provided a written attorney report in the board packet. She prepared a memo on a few FastTrack items that will be discussed in executive session. The board didn't have any questions regarding her report.

Tri-State: Fetterman gave a report on the Tri-State Board meeting. He discussed the Annual Meeting that will be held in Denver. Fetterman mentioned the financials and stated that they are in good financial shape. Ten miles of Tri-State’s North Yuma – Wray 230 kV line were damaged by a recent microburst. Emergency spending money was approved to fix the damage. FERC rejected Tri-State’s proposed contract termination methodology in Policy 125, which included a complicated mark-to-market formula. The Tri-State Board has directed staff to come up with a new proposal with a simpler methodology. The new methodology will likely be a modified Shoshone formula.

CREA: Archibeque submitted a written report that was presented in the board packet. He gave a reminder to the new board of directors that there will be classes October 9 and 10, 2021.

Archibeque mentioned that he has been getting questions regarding the rate decrease from Tri-State and how that decrease will be incorporated into the new rate structure. Dellinger explained that the rate structure is designed to be revenue neutral and that the decrease is incorporated into the purchase power portion of our rates. A discussion was had on the decrease and the rate structure and the benefit of both of these to our members, along with the how to answer member questions regarding this.

Archibeque also brought up the scholarship committee. He is wanting to relook at the scoring rubric to make sure it is equitable to all applicants. Sitton stated that the scholarship committee should make a recommendation and bring it back to the board.

Western United: Barry stated there wasn’t a meeting.

Utah Rural Electric Cooperatives Association: Barry stated that the next meeting will be in Bryce Canyon in August and he plans on attending.

FastTrack: FastTrack Director Kelly Hebbard gave a presentation in Executive Session.

Committees: The following scholarships recipients were submitted for approval. There were 24 completed applications and one incomplete application. 15 scholarships are granted. Archibeque moved to approve the scholarship recipients as presented, seconded by Lindsay. Motion Carried.

1	Powell	Maya
2	Henderson	Trystan
3	Lingenfelter	Kiara
4	Butler	Lauren
5	Frizzell	Gabriel
6	Wilson	Zane
7	Maloy	Brent Makade
8	Wilcox	Brayson
9	Schafer	Cameron
10	Amrine	Marcus
11	Maloy	Morgan
12	Thayn	Elise
13	Brewer	Britton
14	Copeland	Marguerite

**Executive Session:** Butler moved to go into executive session to discuss FastTrack and to Consider Selling Main Switchyard and Yellowjacket II Switchyard Land to Tri-State, seconded by Archibeque. Motion carried. Went into executive session at 10:32 a.m. Hebbard left executive session at 11:41 a.m. Mollenkopf left the executive session at 12:07. Came out of executive session at 1:34 p.m.

**Action Item:** Consider Selling Main Switchyard and Yellowjacket II Switchyard Land to Tri-State: Butler moved to approve the selling of Main Switchyard and Yellowjacket II switchyard land to Tri-State, seconded by Fahrion. Motion carried.

**Board Representative Election (Delegate and Alternate) – Attorney presiding**

- A. Tri-State – Jerry Fetterman
- B. CREA – Larry Archibeque
- C. Western United – Bob Barry
- D. URECA – Bob Barry

Moved by Barry to keep all representatives the same by acclamation, seconded by Butler. Motion carried.

**Board Officer Election – Attorney presiding**

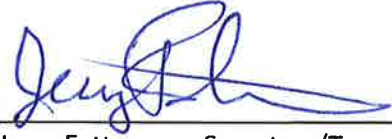
- E. President – David Sitton
- F. Vice President – Kent Lindsay
- G. Secretary / Treasurer – Jerry Fetterman

Moved by Butler to keep all officers the same by acclamation, seconded by Barry. Motion carried.

**Adjournment:** Meeting adjourned at 1:37 p.m.



David Sitton, President



Jerry Fetterman, Secretary/Treasurer