

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
September 10, 2021

Regular meeting of the board of directors of Empire Electric Association, Inc. was held Friday, September 10, 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, Operation and Engineering Manager Ken Tarr, Member Engagement Manager Andy Carter, Executive Secretary / HR Representative Shawna McLaughlin, Financial Manager Ginny Johnson, and System Engineer Bill Barva. Others present by Web Conference: Business Services Manager Chris Snyder.

Others present: Member Corey Provenson.

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: Lindsay moved to approve the consent agenda as presented, seconded by Archibeque. Motion carried.

Membership Input: None.

Monthly Safety Report: Dellinger stated that the safety report is in the packet. There were no personal injuries. We had one property damage to the rear panel of a truck. We are not sure how the damage was done; it looks like it may have gotten backed into by a hit and run.

President Sitton gave a moment of silence in memory of 9/11.

Correspondence:

General Correspondence:

Federated Board Report.

Member Patricia Richmond sent a letter regarding the rate structure change.

Donation Update Correspondences:

Mancos Conservation District.

Thank you letters:

Zane Wilson, Britton Brewer, and Lauren Butler for the scholarships.

Monticello High School for the annual donation.

Energy Outreach Colorado for the matching donation.

Ellisia Winter for purchasing her pig at the Montezuma County Fair Livestock Auction.

Policy Review/Action:

Action Item Policy 49: Economic Development (4-12-2019): Dellinger explained that there are a handful of suggested edits to make the policy read smoother. Lindsay moved to approve Policy 49 as presented, seconded by Butler. Motion carried.

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Action Item: Policy 50: Board Education (5-10-2019): Dellinger explained that there were some minor wording changes. There is a section that states that the Director will provide a written or verbal report after they take an educational class during the next board meeting. A discussion was had on what this verbiage should say. Archibeque moved to approve Policy 50 leaving the verbiage regarding reporting to the board as is, seconded by Lindsay. Motion carried.

General Manager Report:

Action Item: Select 2022 Annual Meeting Date (June 23, 2022): Fetterman moved to set the Annual Meeting date as June 23, 2022, seconded by Fahrion. Motion Carried.

Action Item: Select Delegate and Alternate for NRECA Region 7 Meeting: Lindsay moved to appoint Archibeque as the Delegate for the NRECA Region 7 Meeting, seconded by Butler. Motion Carried.

Action Item: Select Delegate and Alternate for CFC Region 7 Meeting: Fahrion moved to appoint Dellinger as the Delegate for the CFC Region 7 Meeting, seconded by Lindsay. Motion Carried.

Select Delegate and Alternate for Federated Region 7 Meeting: No Directors will be attending this meeting therefore no delegate was selected.

Action Item: Select Delegate and Alternate for Colorado NRECA Membership Meeting: Lindsay moved to appoint Fahrion as the Delegate and Archibeque as the Alternative for the Colorado NRECA Membership Meeting, seconded by Butler. Motion Carried.

Financials: Johnson reported on the financials for July. We have continued on trend on budget. KM is right on budget. Johnson went through line items to explain any variances. There were no significant changes for July. Dellinger stated that our operating margin will decrease next month because we will be applying the Tri-State credit, but margins should continue to remain healthy.

Miscellaneous: Dellinger stated that he met with Montezuma County and City of Cortez. They were under the impression that we were moving forward with fiber deployment. Conexon won the RDOF funds to build fiber in our area. They bid on behalf of a group called the Rural Electric Cooperative Consortium. The City and County thought that we were part of that consortium, but we are not.

NISC Conversion has gone very well so far. There have been a few bumps and a handful of inconveniences to our members, but the member services team has done a fantastic job to help members through these issues.

New rate structures became effective as of September 1st. Members will be seeing these changes on their October bill statements. We have had approximately 300 members opt out of the time of use rate.

Dellinger mentioned that EEA recently joined Western United Electric's (WUE's) Inventory Management Program. He explained this program and a discussion was had on our relationship with WUE.

Strategic Planning is scheduled May 17 – May 19, 2022 in the Calvin Denton Room. CFC will conduct this for the Board again this year.

Dellinger stated that Tri-State has filed the updated contract termination payment methodology with FERC. Comments are due by September 17, 2021. Dellinger plans on submitting comments supporting this filing unless the Board tells him they want something different.

Safety luncheon is today out at the E&O center and all board members are invited.

Director Roundtable: Archibeque talked about the concern of power marketers not having to play by the same rules as in-state utilities. Tri-State and other in-state utilities are subject to resource planning guidelines and other

regulations that out-of-state power marketers are not. This puts power marketers at a competitive advantage. CREA could possibly address this to the administration team and request the state to level the playing field. A discussion was had regarding this.

Attorney: Denning provided a written attorney report in the board packet. She updated the board on UMUT projects. There are three pending issues. One is the joint use agreement. She has been in contact with their legal department. The Tribe is not wanting to sign this because the contract states that they must have a professional engineer approve joint use designs. Without this clause, it could create a safety issue for EEA. They are working on setting up a meeting to come to an understanding so that they can agree on this contract. The other two issues are on the resolutions from tribal counsel for extensions that we have done. Denning is trying to get the final decision from the BIA regarding what is required from their department in writing so that EEA has certainty moving forward with projects on tribal lands.

Tri-State: Fetterman stated that he virtually attended the meeting. There was an election in the August meeting for the chairman. The new chairman is Tim Rabon. Fetterman said that there was quite a lot of discussion regarding the CTP. Barbara Waltz from the environmental department has been pushing for the Rural Community Assistance bill to include monies to help offset the costs of retiring stranded assets early. They are hopeful that they will get funding for the coal plants that are being shut down.

CREA: Archibeque stated that he provided a report in the packet. He wanted to thank Andy Carter with his assistance with a member's issue. Archibeque stated that the Colorado Country Life is not meeting its expenses, so they are considering raising the rates of the magazine and passing along the cost of the postage increase to the cooperatives. This will be taken to the CREA board for approval next month. Debbie Rose was elected to the regulatory committee. Archibeque pointed out a flyer that was placed in the packet and explained that flyer. The primary purpose of this sheet was to have a consistent message from all the Colorado cooperatives while highlighting the specific programs, offerings, and initiatives of each individual cooperative. Archibeque also stated that there may be money available to cooperatives through infrastructure funds that could be used for micro grids.

Western United: Barry stated the sales are up and they are projecting them to stay up this next month. Inventory is low. Manufactures' lead times are really long right now. The St. George building has the materials there, but they are still waiting on permits to start building. Barry stated that he won't be able to attend the meeting on October 12th. He stated that he would appreciate any comments that need to come to him that he could take back to WUE as the representative.

Utah Rural Electric Cooperatives Association: Barry stated that the meeting was in Bryce Canyon. He mentioned that Dixie Power has made a video of linemen that highlights how they are in the public eye more than the rest of us. It is important on how they present themselves. Jeff Petersen would like to come to a meeting with EEA's Board of Directors. Barry would like for him to attend November's meeting. There were some rolling blackouts in Utah that they have concerns about. They are considering redistricting the state. They also discussed EV charging stations and how they want at least 500 across the state.

FastTrack: Discussed in executive session.

Committees: None.

Executive Session: Archibeque moved to go into executive session to discuss FastTrack, seconded by Butler. Motion carried. Went into executive session at 9:57 a.m. Came out of executive session at 10:57 a.m.

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Adjournment: Meeting adjourned at 10:57 a.m.



David Sitton, President



Jerry Fetterman, Secretary/Treasurer