

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
January 8, 2021

Regular meeting of the board of directors of Empire Electric Association, Inc. was held Friday, January 8, 2021 with the following directors present: David Sitton, Bob Barry, Larry Archibeque and Norman Butler. Others present: General Manager Josh Dellinger, Attorney Shay Denning, and Executive Secretary / HR Representative Shawna McLaughlin. Appearing by web conference: Directors Jerry Fetterman, Kent Lindsay, and Bill Bauer, Operations Manager Ken Tarr, Finance Manager Ginny Johnson, Business Services Manager Chris Snyder, Engineering Manager Clint Rapiere, and Member Engagement Manager Andy Carter.

Others present by web conference: Dolores County Commissioners Floyd Cook and Steve Garcher, CSU Extension Agent Gus Westerman, and member 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, seconded by Butler. Motion carried.

Monthly Safety Report: Dellinger explained that there were no property damages or personal injuries in December and that there is a summary for the year in the packet. We had 4 personal injuries in 2020. Dellinger discussed those injuries and stated that none of them were lost time accidents. Sitton commended the staff for taking safety so seriously and keeping it in focus.

Membership Input: none

Correspondence:

General Correspondence:

Patronage retirement letter from Western United.

Thank you from:

Lauren Butler for her scholarship.

Donation Requests:

Dolores County Board of County Commissioners updated request for the West Fork Fire station: Dolores County Commissioners Floyd Cook and Steve Garcher and CSU Extension Agent Gus Westerman were present via the web conference to discuss their request for funding for the West Fork Fire Station. Dellinger explained the changes that were made to the plans for this fire station and the request for Empire to only require a 20-foot easement instead of a 40-foot easement. Discussion on the 20-foot easement and what language could be placed in the agreement to allow both parties to have access to the poles and lines. Denning will work with the Dolores County Attorney to work through this easement request. Discussion went into the financial aspects of the project. The Commissioners will get a plan of the building placement and exactly where the poles will need to be moved to Rapiere so that Empire has a better idea of what needs to be considered. Denning asked the County Commissioners to clarify if they are wanting to confirm the \$10,000 that was approved in October 2020's meeting or if they were asking for more money. Garcher stated that they would like clarification on the total cost to the County. Dellinger clarified that the total cost to the County will be the estimated cost minus the donation. Dellinger also noted what Empire has done for funding of other fire departments in the past. The board reaffirmed that it is still willing to contribute the \$10,000 donation it approved in October 2020.

Policy Review/Action:

Action Item: Policy 30: Funeral Leave (6-08-2018): Dellinger stated that most of the edits are housekeeping. Discussion was had on what happens if there are any exceptions to be made. It was suggested that if anyone requests any exceptions to this policy that it be brought to the board. Butler moved to approve Policy 30 as presented, seconded by Barry. Motion carried.

Action Item: Policy 31: Campaign Contributions Reporting (1-10-2020): Dellinger explained that this was a new policy last year and we found a few clarifications that needed to be made with the form. The initial report and final report now have totals and the final report has an overall total to make it more clear how much was contributed to a candidate's campaign. There was also a clarification made that if a candidate doesn't have any contributions, they still need to file a report. Barry moved to approve Policy 30 as presented, seconded by Butler. Motion carried.

General Manager Report:

Action Item: Consider 2021 Capital Credit Retirements: Johnson compiled a capital credit proposal that meets our financial goal to retire 1/20th of our capital credit balance each year. Johnson discussed that we would be retiring 1999, 2000, 2001 and part of 2002. We also received about \$1.5 million of capital credits from Tri-State which we will be retiring 100% of 1998 and most of 1999. Fetterman moved to approve the 2021 Capital Credit Retirements estimate of \$2,619,692.19 as proposed, seconded by Archibeque. Motion carried.

Board Disclosure Statement Review Update: Dellinger mentioned that Directors Sitton and Fetterman updated their disclosure statements due to Denning's recommendations from December's meeting. The updated forms were reviewed by the board and no discussion or suggestions were made.

Annual Identity Theft Protection Report per Policy 45: Dellinger explained that the staff puts together an annual summary of the measures that we take to protect our members identity and any incidents of identity theft that may have happened. Snyder summarized the annual report. He noted what we have done to improve security to continue to protect personal information. We had no known identity theft issues in 2020. We continue to have meetings and trainings, and IT continuously monitors incoming risks and scams.

Strategic Planning update: Dellinger discussed the strategic planning matrix and a written summary in the board packet regarding these goals. He stated that we are making very good progress to achieve these goals.

Financials: Johnson discussed the November financials. We are on trend to where we have been throughout the year. Large power is still currently down as it has been all year. We continue to have a good margin.

Miscellaneous: Dellinger mentioned that the solar projects continue to move forward. We possibly may lease 10 acres of our land at the E&O campus to One Energy for one of the projects. There is a question regarding the contract we have on that property with the USDA NRCS. Denning stated that she had her associate look into this, and the contract may be expired. She will review this to let us know for sure.

Director Roundtable: Barry mentioned that he appreciated staff letting him know about the planned outage to replace an insulator in Monticello.

Attorney: Denning provided a written report. She stated that CenturyLink is currently working on the joint use contract and she is hoping that will get moving again.

Tri-State: Fetterman stated that they had a virtual meeting on January 5th and 6th. There will be a Strategic planning meeting in February and the annual meeting has been moved to August. He discussed the financials and budget. Renewables are currently at 34% of member sales. He gave an update on Dolores County Solar project.

Tri-State's ERP was submitted on December 1, 2020. The Colorado Air Quality Control Commission reversed their decision to move up the retirement of the Craig 3 Plant.

CREA: Archibeque stated that there was no meeting this month. Next meeting is on January 29th.

Western United: Fetterman mentioned that he is still getting notifications that he is the board member. Barry was appointed to the Western United Board. McLaughlin will contact Western United to notify them that we had a change of directors.

Utah Rural Electric Cooperatives Association: Dellinger attended this meeting and included a summary in his report.

FastTrack: Bauer presented his report in executive session.

Committees: Discussion of how the scholarship committee works and the timeline on when this meeting will take place.

Executive Session: Butler moved to go into executive session to discuss the FastTrack report and the solar project, seconded by Barry. Motion carried. Went into executive session at 11:00 a.m. Came out of executive session at 11:47 a.m.

Adjournment: Meeting adjourned at 11:48 a.m.

/s/ David Sitton
David Sitton, President

/s/ Jerry Fetterman
Jerry Fetterman, Secretary/Treasurer