

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 12, 2020

Regular meeting of the board of directors of Empire Electric Association, Inc. was held Friday, June 12, 2020 with the following directors present: David Sitton, Kent Lindsay and Bob Barry. The following directors appeared by web conference: Bill Bauer, Bill Mollenkopf and Jerry Fetterman. Others present: General Manager Josh Dellinger and Executive Secretary / HR Representative Shawna McLaughlin. Others appearing by web conference: Attorney Shay Denning, Finance Manager Ginny Johnson, Business Services Manager Chris Snyder, Operations Manager Ken Tarr and Engineering Manager Clint Rapier. Absent was Director John Porter.

Others present by web conference: Members Marianne Mate and Heidi Brugger.

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

Approve Consent Agenda:

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

Membership Input: Heidi Brugger stated that REAP had received money from Tri-State to put on a series of forums on energy related topics. Since the pandemic hit, the venue for these forums will remain closed. She has been looking at different options to hold these forums. She is working with KSJD radio station about putting together a candidate forum via Zoom and Facebook live.

Marianne Mate asked if the election ballots could be dropped off at the EEA office to allow more voter participation. She also asked for an update on the Totten Lake Solar Project. Dellinger provided her with an update. She also asked about community solar gardens and opportunities for installing additional gardens. Dellinger addressed her questions

Correspondence:

General Correspondence:

Federated Report from the Board.

Thank you from:

Caleb Podgornoff for his graduation gift.

Mia Powell and Kira Galbraith for the scholarship.

David and Pam Sitton for the Plant.

Policy Review/Action:

Action Item: Policy 14: General Legal Counsel (10-13-17): Dellinger explained that Denning recommended a handful of changes, with most being housekeeping edits. A spelling correction was pointed out. Discussion was had on what happens if Counsel asks for a rate increase and if this policy covered the terms needed if that is requested. Dellinger and Denning explained how changes to the rate would be addressed with the board. Barry moved to approved Policy 14 with the edits and a spelling correction, seconded by Mollenkopf. Motion carried.

Action Item: Policy 15: Compensation and Expenses of Board Members (12-1-17): Dellinger explained that there were some housekeeping edits and some clarifications. Lindsay moved to approve Policy 15 as presented with edits, seconded by Barry. Motion carried.

General Manager Report:

Consider Rate Structures: Dellinger explained that in last month's board meeting, we discussed rate structures and there was a question regarding classification of rates. Johnson put together a cost classification table that

was included in the packet. Dellinger explained the table and discussion ensued. Dellinger asked the board if they would like to do a rate workshop in order to further discuss and understand rate structuring. The Directors all agreed that a workshop should be set up in July or August.

Financials: Johnson reported on the April financials. She pointed out the net margin and account receivables over 60 days. She also noted that the reported margin is currently overstated. There is about \$400,000 in the balance sheet for unproductive time during this COVID crisis that will eventually be moved to the income statement as an expense, which will reduce our margin. Dellinger explained that the Governor's disconnect order expires on June 15th. The Member Services team has been working with the members that are facing disconnects. Snyder will oversee delivery of a letter to those members with information on agencies and resources that are available to assist.

Miscellaneous: Dellinger stated that he was able to speak with Director Porter and informed him that the board did not accept his resignation letter. Porter appreciated the board's support and will remain on the board until his term expires later this year.

Dellinger mentioned that all the employees have started working back in the office. We are social distancing and following the state's guidelines. The employees are self-evaluating their health and are required to stay home if they are sick. The lobby is still closed to walk in traffic and will remain closed until at least we can get protective glass installed at the workstations. The hope is to have the glass installed by the end of June. The Calvin Denton room will remain closed until further notice. A Kiosk has been installed in the foyer at the main building that members can use to pay their bills and the drive up continues to remain open.

Director Roundtable: Mollenkopf talked to President Porter, who stated that he was honored that the board chose to decline his letter of resignation.

Mollenkopf also stated that Sue McWilliams won her district election for LPEA.

Lindsay mentioned that there was an outage over the weekend, and he was contacted numerous times by members stating that they could not call in to EEA to report the outage. Tarr stated that he got a few emails that our third-party answering service reached peak demand. Tarr mentioned that he will investigate what happened with our answering service that kept them from answering those outage calls. Lindsay asked if there was a way for the directors to get information regarding outages so that they can answer members questions. Tarr stated that there is a feature in our system that will send outage notifications, but that we have been unable to make this operational to date. Hopefully we will be able to turn on this notification in the near future. Dellinger stated that our ultimate goal is to be able to report directly to the members when there is an outage through text or email even before the member calls in.

Attorney: Denning provided a written report and highlighted some specific topics in her report. She then answered questions.

Tri-State: Mollenkopf reported on the Tri-State meeting. EEA's 115 project with the Totten Lake Solar Project and the Hydro Contract were both approved by the Tri-State Board. The DMEA exit will occur at the end of June. Mollenkopf gave an update on the LPEA / United Power case with the PUC.

CREA: Fetterman reported on the CREA meeting. Fetterman asked Dellinger to explain Bill #HB20-1420. Dellinger explained that this bill will remove sales and use tax exemptions from energy consumption. There is a lot of opposition to this bill.

Western United: Fetterman reported on the Western United meeting.

Utah Rural Electric Cooperatives Association: Barry was unable to attend this meeting.

Committees: No committee meetings were held.

FastTrack: Discussed in executive session.

Member Marianne Mate asked if donation requests are still on hold and Sitton stated that they are. Mate also asked if the board would consider allowing the ballot box to be placed in the lobby. Denning explained that EEA wants to remain out of the ballot collecting process as much as possible in order to avoid any perception of tampering with the ballots. EEA hires a third-party vendor to collect and count ballots. She stated that the board could make the decision to allow a ballot box to be placed in the lobby. The Board would like to place this on agenda to discuss the election and ballot box in July's meeting.

Executive Session: Mollenkopf moved to go into executive session to discuss FastTrack and the Poudre Valley Membership Letter, seconded by Fetterman. Motion carried. The board went into executive session at 11:03 a.m. and came out of executive session at 11:28 a.m. Denning was recused for the Poudre Valley Membership Letter discussion, due to conflict.

Adjournment: Meeting adjourned at 11:28 a.m.

/s/ David Sitton

David Sitton, Vice President

/s/ Jerry Fetterman

Jerry Fetterman, Secretary/Treasurer