

EMPIRE ELECTRIC ASSOCIATION, INC.  
MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
June 11, 2021

Regular meeting of the board of directors of Empire Electric Association, Inc. was held Friday, June 11, 2021 with the following directors present: David Sitton, 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, FastTrack Representative Bill Mollenkopf, and Executive Secretary / HR Representative Shawna McLaughlin. Appearing by web conference: Business Services Manager Chris Snyder and Operation Manager Ken Tarr. Absent is Director Kent Lindsay.

Others present by web conference: Members Allen Maez, Ken Curtis, Heidi Brugger, and Craig Wickstrom.

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

Approve Consent Agenda:

**Action Item:** Fetterman moved to approve the consent agenda as presented, seconded by Archibeque. Motion carried.

Membership Input: Heidi Brugger asked when the meetings will be opened for members to attend in person. Ken Curtis recognized our crews and thanked Dellinger and Tarr for helping DWCD and WAPA get an underground cable fixed and power restored to irrigators.

Monthly Safety Report: Dellinger stated that there were no personal injuries or property damages. Diversified Inspections performed dielectric and structural testing on our trucks. The RESAP inspection will be done sometime this year. Dellinger explained what RESAP is for the benefit of our new directors. Sitton commented on how nice it is to see no injuries or damages but would like to remind everyone of complacency because that is what causes accidents. He also inquired on the procedures that are being taken for fire safety. A discussion was had on what the company does for prevention of fires. Sitton mentioned that the Safety and Health Committee should look at this and possibly develop a procedure for fire prevention.

Correspondence:

General Correspondence:  
Federated Board Report.

Thank you from:

Egnar-Slickrock Volunteer Fire Department for the annual donation.

Pinon Project for donation.

Coleman Hoover for the graduation gift.

Audra Fahrion thanking the board for the opportunity to become the District 3 Director.

Policy Review/Action:

**Action Item:** Policy 44: Attendance at Board of Directors Meeting (01-11-19): Dellinger explained that changes were made to better reference and reflect the state statute that governs board meeting attendance. Denning mentioned that we have a complaint policy and what needs to be done when a member comes to a board

member with a complaint. There were also a few minor housekeeping edits along with the new format. Fetterman moved to approve Policy 44 as presented, seconded by Butler. Motion carried.

**Action Item:** Policy 45: Identity Theft Protection (02-18-19): Dellinger explained that there were a few minor wording clarifications, along with the new format. Barry moved to approve Policy 45 as presented, seconded by Archibeque. Motion carried.

General Manager Report:

**Action Item:** Consider Updated Rate Tariffs: Dellinger explained that the new tariffs include the structure changes we have been discussing over the past year, namely that we are providing most members with the option of an all-energy rate or a time of use and demand rate. The new tariffs also include the recently announced Tri-State rate decrease, which we are directly passing on to our members. Additional communication about the new rate structures and the decrease will be forthcoming, including a press release, public notice, bill message, and CCL article. The new rates are scheduled to go into effect on September 1, 2021. Additionally, the savings we will realize between March 1 (the effective date of the Tri-State decrease) and September 1 (the effective date of our new rates) will be passed on to members via a bill credit that will show up on the September bill statements. Archibeque moved to approve the Rate Tariffs as presented as well as the bill credit, seconded by Butler. Motion carried.

**Action Item:** Consider Donating to the CFC Integrity Fund. Dellinger explained that this fund is available to assist cooperatives in fighting legal battles when other entities encroach on their service territories. EEA utilized this fund some years ago in dealing with a territorial issue in Monticello. In years past, EEA has donated 5% of our capital credits for Territorial Integrity Purposes Only. Fetterman moved to approve the CFC Integrity Fund Donation based on past practices, seconded by Butler. Motion carried. Dellinger will research the past amounts donated and present fund balance and get those numbers to the board.

**Financials:** Johnson reported on the financials for April. She stated that the April financials looked very good. She explained that March was a colder than average month and the cost of purchase power was recognized in March while the related revenue was recognized in April. Sitton asked Johnson to explain the difference of the financials from last year to this year. Johnson explained that most of the difference between last year and this year was Kinder Morgan related. Kinder Morgan was operating at full power the first three months of 2020, then they dropped off and didn't run at full power the rest of the year. Johnson mentioned that we have converted our software, so most of her reports will be changing to a new format. She has asked if there is a report that doesn't have the information that the board would like, to let her know. Johnson included a long-term debt spreadsheet in the board packet which she explained. She also mentioned that a loan draw was taken from CFC and the variable rate CoBank loan was refinanced to a fixed loan rate.

**Miscellaneous:** Dellinger stated that there is information in the Board packet regarding a CFC director seat that is up for election. If anyone is interested in running for this seat, he would be available to help navigate the election process.

Dellinger mentioned that the Monticello facility was broken into the weekend of May 22nd. Several thousand dollars of tools and equipment were stolen. Local law enforcement agencies quickly identified the suspect and worked with neighboring agencies to apprehend him. We have notified Federated Insurance and we are currently waiting to see what we recover and what we don't. Discussion was had as to what we could do to prevent future thefts.

Bill Bauer's memorial service will be held on June 26, 2021, at 11:00 a.m. at Bauer Lake.

Annual meeting will be held on June 17, 2021 at the E&O Building.

Director Roundtable: Sitton discussed the board meeting returning to normal and when the board would like to open the meetings back up to allow members to appear in person. Discussion was had about the state mandates and what we can do based on CDC and state guidelines. Zoom attendance was also discussed. Consensus from the board was to keep the board meetings with just staff and directors in person and continue with the Zoom meeting for members. The board will discuss this again at next month's meeting.

Attorney: Denning provided a written attorney report in the board packet. She mentioned that the Built-Rite hit pole issue has been resolved and we received a check from the insurance. The hit pole that turned into a criminal case has also been resolved and we will be getting restitution. She also stated that the question regarding right-of-way with the BIA and UMUT has been resolved. Denning stated that she attended the CREA Spring Conference for Attorneys. She provided a summary on the classes she was able to attend in her written report.

Tri-State: Fetterman gave a report on the Tri-State Board meeting. This meeting was spent mostly on strategic planning. He stated that the Totten Lake Project Policy #115 contract authorization was approved. Fetterman mentioned that a presentation was given regarding electric vehicles and the infrastructure that will be needed to accommodate significant EV adoption. Electric vehicles will be the majority of the cars owned in the future and cooperatives will need to be able to accommodate that extra load. He discussed the partial requirement contracts and there were three cooperatives that applied for the partial requirements contract program. This does not mean that they will move to partial requirements, but that they have signed up to determine numbers for moving that direction. Fetterman discussed what Tri-State is doing to help with their budget cuts and how the cost decrease will affect them. He mentioned that 47% of total power supply was from coal plants, 2% by gas and oil and 37% by renewables and 14% from purchase power. Member sales were 19% below budget. Fetterman also stated that water issues were discussed and how this will affect Tri-State and cooperatives. He mentioned that two bylaw amendments were proposed. One was to amend the percentage of power purchased from Tri-State from 65% to 50% to retain a board seat. The vote to bring that amendment to the Tri-State membership failed. The second was to limit the number of non-utility members to a maximum of ten. The vote to bring that amendment to the Tri-State membership passed.

CREA: Archibeque submitted a written report that was presented in the board packet. He highlighted the American Rescue Plan and the amount of money coming into the state. CREA discussed several legislative items. He also stated that the Peddle the Plains bike event is asking for a sponsorship, which CREA approved. The June meeting will be virtual and there will not be a July meeting. August will be an in-person meeting. In October they will have their Energy Innovation Summit which is a 4-day event. Classes are held during this time in person. Archibeque will be unable to attend the September CREA meeting.

Western United: Dellinger stated that their annual fish fry will be coming up in August.

Utah Rural Electric Cooperatives Association: Barry stated that the next meeting is in August in Bryce Canyon.

FastTrack: FastTrack Representative Bill Mollenkopf gave a report in Executive Session.

Committees: None.

Executive Session: Barry moved to go into executive session to discuss FastTrack, seconded by Archibeque. Motion carried. Went into executive session at 11:03 a.m. Mollenkopf left executive session at 12:04 p.m. Came out of executive session at 1:03 p.m.

**Adjournment:** Meeting adjourned at 1:03 p.m.



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David Sitton, President



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Jerry Fetterman, Secretary/Treasurer