

Press Release

FOR IMMEDIATE RELEASE

Contact: Bobbe Jones, Member Services Manager
Phone: 970-564-4451

CORTEZ, COLO. - EMPIRE ELECTRIC'S 2016 ANNUAL MEETING RECAP

Seventy-three members and their families attended Empire Electric Association's Annual Meeting on June 16, 2016, in the Calvin Denton Room at its headquarters in Cortez. All registered members received a \$10 credit on their electric bill.

General Manager Josh Dellinger welcomed attendees, introduced special guests, and thanked those who served in the U.S. military and local law enforcement.

Attorney Shay Denning reported on the voting procedures and that only one candidate for district 4 and district 7 submitted a written petition. Denning announced that William Mollenkopf, District 4 and John Porter, District 7 are elected as a matter of law, per Article II, Section 4 of the Cooperative Bylaws. Denning then announced registration closed.

President Bill Bauer shared the following highlights:

- Empire has a strong financial position, provided capital credits in 2015, and sent the annual report to all its members.
- Tri-State Generation and Transmission Association moved to a more traditional rate structure to the benefit of Empire's members.
- Discussed the future energy costs and EPA's Clean Power Plan for existing power plants.
- Empire's growth in 2015 was .5 percent.
- Staff is committed to safety and there were no lost time accidents in 2015.
- The website was updated and the mission statement was changed to read, "Our primary mission is to safely, responsibly, and reliably meet the electrical energy needs of our member-owners."

Secretary/Treasurer Jerry Fetterman reported on the solid financial performance of the cooperative in 2015. Fetterman noted that for every dollar collected, nearly 80 cents is used to purchase power and the remaining 20 cents is used to maintain and operate the cooperative.

General Counsel Shay Denning reported that Tri-State Generation and Transmission Association adopted a dispute resolution process in addition to a new rate structure that Empire

believes is non-discriminatory. This is the result of a complaint submitted to the Colorado Public Utilities Commission a few years ago by Empire and others.

General Manager Josh Dellinger emphasized the cooperative difference throughout his report and mentioned the following items:

- For the second year, Empire published the annual report in the newsletter section of the Colorado Country Life magazine and reduced costs by approximately \$7,000.
- Empire strives to make decisions in the best interest of its members.
- Dellinger highlighted two items that resulted from the board's recent strategic planning session: a new mission statement and a commitment to maintaining equitable rate structures.
- Empire plans to deploy a new metering system in 2017. The metering system is safe and designed to better serve its members.
- Empire ended 2015 in a strong financial position and returned over \$1.5 million in capital credit refunds.
- A low-income solar garden was installed.
- Empire made significant contributions to local communities in 2015 through donations, sponsorships, scholarships, and energy efficiency programs.
- With its energy efficiency programs, Empire is actually encouraging people to use less energy, even if that means selling less of the product it delivers.

Dellinger introduced Tri-State's Senior Vice President of Transmission Joel Bladow who gave an update on Tri-State activities. Bladow mentioned the new rate structure and issues surrounding coal mines and coal-fired generation stations. He noted that about 25 percent of the energy Tri-State delivers comes from renewables. Bladow discussed some of the challenges for generation and transmission cooperatives and noted that rates will likely increase in the future.

Dellinger introduced Kent Singer, Executive Director of the Colorado Rural Electric Association. Singer reported on programs sponsored by CREA, how bills that affect cooperatives are monitored at the Colorado legislature level, and CREA sponsored Senate Bill 55 dealing with cooperative elections. CREA produces the Colorado Country Life magazine and provides loss control and education services for member cooperatives.

There was no unfinished business and no new business.

Member questions and comments followed.

About Empire Electric Association

In 1939 Empire's objectives were simple: to generate and/or purchase electric energy for its members and distribute and sell electric energy to its members. The Cooperative was formed without any purpose of direct gain or profit to itself. The original members were the rural farmers and ranchers and rural businesses in Montezuma and Dolores Counties in Colorado, and in parts

of San Juan County in Utah. On May 5, 1941 our records indicate the first line construction project was completed and 264 brand new members received electric utility service in their homes for the very first time.