

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
August 14, 2026

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, August 14, 2026, with the following directors present: Kent Lindsay, Bob Barry, Larry Archibeque, Bill Mollenkopf, Corey Robinson, and Doug Sparks. Others present: General Manager Josh Dellinger, Executive Secretary / HR Representative Shawna McLaughlin, Operations and Engineering Manager Ken Tarr, Financial Manager Ginny Johnson, Member Engagement Manager Andy Carter, and Energy Management Advisor Brian Balfour. Appearing by web conference: Attorney Shay Denning and Business Services Manager Chris Snyder. Absent was President David Sitton and System Engineer Dalton Randolph.

Others present in person: Zane and Chloe Herrmann

Others present by web conference: Members Greg and Emiko South and Ken Curtis

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

Approve Consent Agenda:

Action Item: Mollenkopf moved to approve the consent agenda, seconded by Robinson. Motion carried.

Membership Input: Zane Herrmann brought in a cheesecake and a gift for the Board as a thank you for purchasing his pig at the Montezuma County Fair Livestock Auction.

Monthly Safety Report: Dellinger stated that the safety report is in the board packet. There were no personal injuries. There was a property damage where a farmer caught a joint use line and broke three poles. Denning is working on a letter requiring the joint use attacher to make sure all attachments are at the required height.

Correspondence:

1. Western United Fish Fry Invitation
2. Federated Member Update – July 2026
3. NISC Report to the Membership
4. Federated Retention Credit

Thank you Letters:

1. Mason Forst for the scholarship
2. Monticello High School for annual donation
3. Craig Cox for providing electricity up the West Fork area

Policy Review/Action:

Action Item: Policy 15: Compensation and Expenses of Board Members (07-12-2024): Dellinger stated that staff and legal reviewed Policy 15 and no edits were suggested. Mollenkopf stated that he researched CPI and determined CPI has gone up 29% since 2020. Mollenkopf moved to amend Policy 15 to increase the monthly directors stipend to \$1,295.30 and the meeting per diem to \$194.30, effective September 1, 2026, seconded by Barry. Motion carried.

Policy 16: Contract Execution and Consultant Relationships (07-12-2024): Dellinger reported that staff and legal reviewed Policy 16, and no edits were suggested.

General Manager Report:

Action Item: Select Delegate for NRECA Regional Meeting: Dellinger stated that the NRECA Region 7 & 9 meeting will be held October 5 – 7 in Salt Lake City. The business item to be considered this year is NRECA resolutions. Mollenkopf moved to delegate Doug Sparks as Empire’s representative at the NRECA Regional meeting, seconded by Archibeque. Motion carried.

Action Item: Consider Key Account Program: Dellinger explained that one of our strategic goals is to consider a key accounts program. Carter has developed three options for the board to consider. Option 1: Dedicate ten hours per week of Energy Management Advisor (EMA) responsibilities to key account activities for the top 5 – 10 key accounts. Option 2: Dedicate 20 hour per week of EMA responsibilities to key account activities for the top 15 – 20 key accounts. This would require shifting duties to other EEA employees and hiring a part time EMA. Option 3: Hire a dedicated Key Account Representative for the top 25 – 35 key accounts. After discussion, Barry moved to approve Option 1, seconded by Sparks. Motion carried.

Consider Capital Credit Allocations: Dellinger stated that we have been reviewing capital credit allocation and have a few recommendations for changes. Johnson gave a presentation to the board and shared staff’s recommendations. Consensus of the board is to have the Capital Credit Committee review this presentation and make a recommendation to the board. Dellinger set the meeting for Monday, August 24, 2026 at 2:00 p.m.

Deferred Revenue vs Cash Presentation: Dellinger mentioned that in last month’s meeting a question was asked about why we need to take a draw on our loan facility when we have a significant amount of deferred revenue. Johnson gave a presentation in this regard. She explained our financial position, the differences between deferred revenue and cash, and why we need to take a loan draw to support healthy financial metrics and upcoming planned expenditures.

Financials: Johnson reported on the June financials and explained the budget variances.

Miscellaneous: None.

Director Roundtable: Mollenkopf reported on the recent Montezuma County Fair Livestock Auction. They purchased a cooler full of meat. We will do an employee raffle with the meat products and the gifts that Zane Herrmann brought in.

Attorney: Attorney Shay Denning stated that her written report is in the board packet and answered questions.

Tri-State: Robinson reported on the Tri-State meeting. The 2027 budget will require a 7.8% rate increase, which is in line with previous financial forecasts. They received presentations about rebuilding the gas turbines at the JMS plant and rates for exited members. They are revising board policy 515 and Robinson explained these revisions. They are planning to use a third party to conduct a member survey. The New ERA grant is moving forward, and the new plan complies with all the regulations. Harriet Hageman, a US Representative from Wyoming, gave a presentation. They also received a presentation about the assets Tri-State owns in Southeast Colorado related to the proposed Holcomb power plant that never materialized.

Colorado Rural Electric Association: Archibeque stated that there was not a meeting this month. He attended a meeting regarding parametric insurance. CORE, Tri-State, and CREA are working together on wildfire liability

August 14, 2026

Page | 2

legislation. CREA is considering updating its bylaws in light of how NRECA and Touchstone Energy were sued alongside of San Isabel for the Aspen Acres Fire. They are developing a plan for legal counsel after the departure of Craig Johnson. They are also looking at changing the committee assignments. They are still looking to hire an Events Coordinator.

Western United: Barry reported on the Western United meeting. He mentioned the Annual Fish Fry that is coming up. The Sales and Financials are in the board packet.

Utah Rural Electric Cooperatives Association: Barry reported there was not a meeting this month.

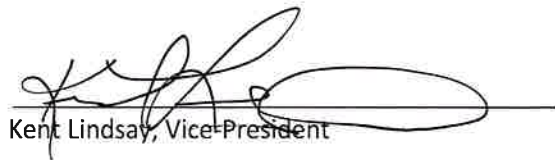
Committees: None.

Executive Session: Archibeque moved to go into executive session to receive legal advice, discuss Tri-State, the Rarick Easement issue, and receive a BYOR update, seconded by Robinson. Motion carried. Went into executive session at 11:33 a.m. Came out of executive session at 12:15 p.m.

Adjournment: Meeting adjourned at 12:16 p.m.



Bob Barry, Secretary / Treasurer



Kent Lindsay, Vice-President