

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
July 11, 2025

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, July 11, 2025, with the following directors present: David Sitton, Kent Lindsay, Bob Barry, Larry Archibeque, Bill Mollenkopf, and Doug Sparks. Others present: General Manager Josh Dellinger, Attorney Shay Denning, Executive Secretary / HR Representative Shawna McLaughlin, Financial Manager Ginny Johnson, Operations and Engineering Manager Ken Tarr, Business Services Manager Chris Snyder, Member Engagement Manager Andy Carter, and System Engineer Dalton Randolph. Appearing by web conference: Director Corey Robinson.

Others present in person: Washington DC Youth Tour Recipient Kooper Nielson, City of Cortez Manager Drew Sanders, and City of Monticello Manager Kaden Kulow.

Others present by web conference: CREA representatives Taylor Ward and Troy Whitmore and EEA member Emiko South.

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

Approve Consent Agenda:

Action Item: Lindsay would like to amend the agenda to have the approval of the scholarship recipients to be after membership input. Mollenkopf moved to approve the consent agenda with the agenda amendment, seconded by Lindsay. Motion carried.

Presentation by Kooper Nielson, Washington DC Youth Tour Recipient: Kooper Nielson provided a slide presentation with a summary of his trip to Washington DC. He thanked the board for the opportunity. He stated it was the trip of a lifetime.

Presentation by Taylor Ward and Troy Whitmore with Colorado Rural Electric Association (CREA): Taylor Ward and Troy Whitmore of CREA gave the board an update on Colorado Advocates for Rural Electrification (CARE) happenings. CARE is a political action committee (PAC) organized by CREA and dedicated to lobbying for electric cooperative causes in the state legislature.

Committees: The scholarship committee met to select the continuing education scholarships.

- In total we had 23 Continuing Education applications for 15 available scholarships.

Below are the winning applicants chosen by the Scholarship Committee.

1. Izabella Balfour
2. Trista Barnett
3. Lexie Burton
4. Kenneth Chadd
5. Gabriel Crowley
6. Lilly Bell Fiqueroa
7. Kade Hankins
8. Shelby Jabour
9. Taylor LaRose

10. Brooklyn Lee
11. Quinn Maness
12. Andres Moreno
13. Avery Stieglmeyer
14. Jayden Thomason
15. Makayla Wayman

Action Item: Consider Continuing Education Scholarship Recipients: Lindsay moved by to approve the continuing education scholarship recipients as presented by the committee, seconded by Archibeque. Motion carried.

Membership Input: City of Monticello Manager Kaden Kulow stated that Monticello would like to continue the franchise agreement with EEA. He is requesting a six-month extension to go through the agreement with Dellinger to make sure that the agreement is beneficial for both entities. The current agreement did not expire; it was midpoint. The current franchise agreement will be in place until a new agreement is negotiated. Sitton made the point that we have six franchise agreements, and we try to structure all franchise agreements similarly. Attorney Denning stated that the franchise has been renewed for its second 20-year term, but, if both parties are willing, negotiations can happen at any time. The consensus of the board is that we are willing to negotiate so long as any new terms make sense for EEA. If we cannot come to an agreement on new terms, then the existing franchise agreement will remain in effect.

Executive Session: Lindsay moved to go into executive session to discuss the HQ Property Contract with the City of Cortez, seconded by Mollenkopf. Went into executive session at 9:34 a.m. Came out of executive session at 9:50 a.m.

Monthly Safety Report: Dellinger stated that there were no personal injuries. There was windshield damage to a truck. The full report is in the board packet. Mollenkopf brought up an incident that he witnessed that could potentially be a safety concern. Tarr will bring this incident up in the next safety meeting.

Correspondence:

1. Federated Member Update
2. Western United's Bi-Annual Open House Invitation

Thank you letters:

3. Mancos Valley Chamber of Commerce for the annual donation
4. Sarah Knezek for the scholarship
5. Siena Parr for the scholarship
6. Kooper Nielson for the opportunity to attend the Washington DC Youth Tour

Policy Review/Action:

Action Item: Policy 44: Attendance at Board Meetings (07-14-2023): Dellinger stated staff and legal reviewed and a few minor edits are suggested. Sparks moved to approve Policy 44 as presented, seconded by Lindsay. Motion carried.

Action Item: Policy 45: Identity Theft Protection (07-14-2023): Dellinger stated that staff and legal reviewed and a few minor edits are suggested. Archibeque moved to approve Policy 45 as presented, seconded by Barry. Motion carried.

General Manager Report:

Action Item: Select Delegate for Tri-State Basin Director Caucus: Dellinger explained that Tri-State will hold a caucus on August 6, 2025, to elect a director to serve on the Basin Electric Board. We can select a representative to participate in the caucus. Lindsay moved to appoint Robinson as the representative, seconded by Archibeque. Motion carried.

Action Item: Select Voting Delegate for the NRECA Regional Meeting: Dellinger mentioned that the NRECA Region 7 meeting is scheduled for October 6 – 8, 2025 in Bellevue, WA. We can select a voting delegate to represent us at this meeting. The main order of business at regional meetings is usually to consider member resolutions. Archibeque will be attending this meeting. Lindsay moved to appoint Archibeque as the delegate, seconded by Mollenkopf. Motion carried.

Action Item: Select Buyers for the County Fairs: Dellinger stated that the Montezuma County Junior Livestock sale is scheduled for Saturday, August 2nd, 2024, at 6:00 p.m., and the San Juan County sale is for Saturday August 9th, 2025, at 9:00 a.m. Sparks moved to appoint Lindsay and Mollenkopf as buyers for Montezuma and Barry and Archibeque as buyers for San Juan, seconded by Robinson. Motion carried.

Review Campaign Contributions Forms: Dellinger mentioned that Policy 31: Campaign Contributions Reporting states that all campaign contribution forms are reviewed by the board the first meeting after the final report is due. Campaign contributions forms from each candidate are in the board packet for the board to review. A conversation was had on if campaign contributions can be limited. Denning stated that she will do some research to get this answer.

Review New Director Disclosure Statement: Dellinger stated that each director is required to complete a conflict-of-interest disclosure statement once a year. Since Doug Sparks is a new director, his disclosure statement has been completed and is in the packet for board review. After review, the board has no concerns.

Review Form 990: Dellinger mentioned that the IRS Form 990 is included in the board packet. Johnson reviewed the form with the board. She explained that the 990 is intended to provide interested members with information about the organization's activities for the year and it is publicly available. The IRS requires non-profits to file this form each year to promote transparency.

Action Item: Ratify Decision to Prepay CREA for its Purchase of New Building: Dellinger stated that we prepaid our portion (1/22nd) of the cost of the new CREA HQ building which was \$90,909.00. We will receive our portion of the proceeds once the old CREA HQ building sells, which will reduce the total cost paid for the new CREA HQ building. CREA needed to move quickly, so this decision was made prior to the board meeting via email. The board will need to ratify this decision. Archibeque moved to ratify the decision to prepay CREA for its purchase of the new building, seconded by Barry. Motion carried.

Action Item: Consider Mission Statement Revisions: Dellinger mentioned that the board reviewed the mission statement during our recent strategic planning session. An action item was for him to bring back options for incorporating community involvement in the statement without altering the essence of the statement. Options were discussed and the consensus of the board is to have Denning put together additional options for the board to consider that add community involvement to the definition of Responsibly. During the lunch break, Denning created two options to revise the mission statement:

1. Responsibly means that we support our communities while providing affordable, equitable, and environmentally responsible services for the benefit of our collective membership.
2. Responsibly means community support, and affordable, equitable, and environmentally responsible services for the benefits of our collective membership.

Discussion was had regarding these two options and the original mission statement. Mollenkopf moved to change the definition of Reliably in our mission statement to option #1, seconded by Sparks. Motion carried.

Consider 2025 Strategic Plan: Dellinger stated that the first draft of our next strategic plan is in the packet for board review. A summary of the plan is in the board packet with a draft of goals and objectives. Dellinger discussed these goals and objectives that were gathered from the planning session. Board is in agreement with the below goals and objectives.

- a. Enhance wildfire resilience and safety of the distribution infrastructure.
 - i. Develop a plan for replacing all OH conductor in fire danger areas with UG or covered conductor as appropriate.
 - ii. Investigate wildfire detection technologies (e.g., specialized cameras) and potential collaboration with stakeholders for deployment.
- b. Ensure EEA's continued financial health.
 - i. Review financial policies and determine if changes are needed (e.g., equity range, cash on hand, minimum margin, return on rate base).
 - ii. Regularly update the long-term financial forecast to facilitate planning for upcoming large capital investments.
 - iii. Regularly update the cost-of-service study to ensure rates fairly recover costs and are adequate to keep EEA financially healthy.
- c. Enhance member engagement and education.
 - i. Explore developing a key-accounts program.
 - ii. Use data from the most recent member survey to guide member engagement and education efforts.
- d. Utilize technology investments to increase efficiency and capabilities throughout EEA.
 - i. Optimize capabilities of existing software programs.
 - ii. Optimize data integration among existing software.
 - iii. Explore the utilization of AI as a tool to enhance efficiency and capabilities.
- e. Continue to improve safety culture.
 - i. Develop a plan for improving the quality of safety meetings.
 - ii. Continue efforts to combat complacency.
- f. Optimize power supply opportunities to the benefit of EEA's members.
 - i. Develop methodology for evaluating BYOR and BP115 projects.
 - ii. Develop a wheeling tariff as an alternative option for non BYOR or BP115 projects.

Financials: Johnson reported on May's financials. She spoke about the purchase power demand and how it affects the budget. She discussed the financials line by line and where we are in the budget variances. Johnson compared years 2023, 2024, and 2025, which shows how the variances are mostly driven by purchase power demand.

Miscellaneous: Dellinger mentioned that we had some discussion with Valley Range Solar. They are wanting to give us a proposal for a BYOR project. Lindsay stated that the county still has a moratorium of 6 months on all solar projects. Dellinger stated that we will see if they will come back with an attractive proposal.

Director Roundtable: Mollenkopf stated that he attended the CFC Forum in New York, and he highly recommends other board members to attend. They had classes and workshops on various topics. They also had several excellent key speakers. Mollenkopf mentioned that the by-law amendments were passed.

Sitton asked if the board could schedule a tour of the new HQ building. Dellinger stated that we could do it after the August board meeting.

Mollenkopf mentioned that he had gotten a flat on his ATV the day of the annual meeting and was unable to get back in time for the annual meeting.

Attorney: Attorney Shay Denning stated that her report is in the packet. There were no questions from the board regarding her report.

Tri-State: Robinson reported on the Tri-State Board meeting. He stated that it was a virtual meeting, and they reviewed the federal legislation items that will change several things for Tri-State, mainly increasing costs. They are tracking an executive order that may attempt to require that the Craig station stay open past the closure date. Craig has been planned to be closed for economic reasons and it would create a potential financial impact to Tri-State if they have to keep it open. He will continue the confidential Tri-State report in executive session.

CREA: Archibeque reported on the CREA meeting. He mentioned some potential topics for the next legislative session. The Washington Street property is close to being sold. There are approximately 15 cooperatives that made pre-payments for the new CREA building. The executive committee met last Monday in Gunnison. They have scored the applications for the Executive Director position. They interviewed applicants and have selected their top two candidates. Hopefully the board will have a recommendation to hire one of these candidates to begin in January. Next week, Archibeque will be attending White River's annual Meeting and the week after, he will be going to Vail to attend NRECA's Director Summer School.

Western United: Barry reported on the Western United meeting. He stated that the information is in the packet. Their inventory remains high. Fish Fry will be at the end of August.

Utah Rural Electric Cooperatives Association: Barry reported on the URECA meeting. The report is in the packet. The golf tournament and pheasant hunt are coming up. The youth tour that is sponsored by URECA is a highly attended event. This is held at Snow College. The students are required to have a two-year commitment to attend this event. The next URECA meeting is in August.

Executive Session: Archibeque moved to go into executive session to discuss the HQ Property Contract, the Key-staff Bi-annual Executive Summary, Tri-State, the Monticello Franchise Agreement, and receive legal advice, seconded by Barry. Motion carried. We went into executive session at 1:21 p.m. Staff were asked to exit at 1:38 p.m. staff returned to executive session at 1:46 p.m. Came out of executive session at 1:48 p.m.

Action Item: Officer Elections – Attorney presiding

1. President –David Sitton received the only nomination for President, Archibeque moved to appoint David Sitton by acclamation, seconded by Barry. Motion Carried.
2. Vice President –Kent Lindsay received the only nomination for Vice-President. Mollenkopf moved to elect Kent Lindsay by acclamation, seconded by Barry. Motion carried.
3. Secretary / Treasurer – Nominations were for Bob Barry, William Mollenkopf, and Doug Sparks. Mollenkopf declined the nomination. Directors voted for Barry or Sparks. Votes were 5 for Barry and 2 for Sparks. Barry will be Secretary / Treasurer.

Action Item: Elect EEA Representatives for Tri-State, CREA, Western United, and URECA:

1. Tri-State – Corey Robinson received the only nomination for Tri-State representative. Sitton moved to appoint Robinson to be the Tri-State representative by acclamation, seconded by Lindsay. Motion carried.
2. CREA – Barry moved to elect Archibeque as CREA representative by acclamation, seconded by Mollenkopf. Motion carried.

3. Western United – Bob Barry received the only nomination for Western United representative. Lindsay moved to elect Bob Barry for the Western United representative by acclamation, seconded by Archibeque. Motion carried
4. URECA - Nominations were received for Doug Sparks and Bob Barry. Votes were 6 for Barry and 1 for Sparks. Bob Barry will be the representative for URECA.

Adjournment: Meeting adjourned at 2:05 p.m.



David Sitton, President

Bob Barry, Secretary / Treasurer