

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
June 13, 2025

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, June 13, 2025, with the following directors present: David Sitton, Kent Lindsay, Jerry Fetterman, Bob Barry, Larry Archibeque, Corey Robinson, and Bill Mollenkopf. Others present: General Manager Josh Dellinger, Executive Secretary / HR Representative Shawna McLaughlin, Financial Manager Ginny Johnson, Business Service Manager Chris Snyder, Member Engagement Manager Andy Carter, and System Engineer Dalton Randolph. Appearing by web conference: Attorney Shay Denning. Absent was Operations and Engineering Manager Ken Tarr.

Others present in person: Members Jeff Busic, S J Duncan, and Doug Sparks.

Others present by web conference: Member Emiko South.

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

Approve Consent Agenda:

Action Item: Robinson mentioned that the May board meeting minutes state that Tri-State will be joining the Southwest Power Pool this summer and it should state that it will be next spring. Mollenkopf moved to approve the consent agenda with correction on the minutes, seconded by Robinson. Motion carried.

Membership Input: Member Jeff Busic asked questions about the financial report in our annual report. Johnson answered his questions. A discussion was had on our financial policy and the mechanisms that are in place to guide the rate setting process.

Monthly Safety Report: Dellinger stated that there were no personal injuries. There was one property damage where a windshield was damaged on a truck. The full report is in the board packet.

Correspondence:

- CFC Integrity Fund
- CoBank List of Director Candidates
- Federated Member update
- Western United Patronage Certificate
- Federated Report from the Board
- CREA Director Summer School information

Thank you letters:

- Randi Lewis for the scholarship
- Energy Outreach Colorado for the matching donation
- Cambree Chamberlain for the scholarship
- Four Corners Board of Realtors for the Hole Sponsor at the Dean Hanson Memorial Golf Tournament
- Teagan Archer for the scholarship

Policy Review/Action:

Action Item: Policy 41: Physical Evaluations for Employees (06-09-2023): Dellinger stated staff and legal reviewed and a few minor edits are suggested. Robinson moved to approve Policy 41 as presented, seconded by Lindsay. Motion carried.

Policy 42: Employee Retirement (06-09-2023): Dellinger stated that staff and legal reviewed and there are no suggested edits.

General Manager Report:

Action Item: Select Voting Delegate for CFC Annual Meeting: Dellinger stated that the CFC Annual Meeting is scheduled for June 30, 2025, in New York City. It will once again be held in conjunction with the CFC Forum. The primary business to be transacted is to vote on proposed bylaw changes. The bylaw changes will eliminate the ability of NRECA to appoint two directors and will replace those two positions with elected at-large directors, one being from NRECA and one from the G&T members. We may select a delegate to vote on behalf of EEA. The delegate may vote in-person at the meeting, or via mail prior to the meeting. Mollenkopf is planning on attending. Lindsay moved to appoint Mollenkopf as the Voting Delegate, seconded by Archibeque. Motion carried. Robinson moved to direct Mollenkopf to vote in favor of the bylaw changes, seconded by Lindsay. Motion carried.

Action Item: Ratify Resolution 01-2025 for Jerry Fetterman: Dellinger stated that at May's meeting, Resolution 01-2025 was presented to Director Jerry Fetterman in recognition of his retirement. Fetterman didn't think he would be attending June's meeting; therefore, it was presented in May with the intentions of the directors ratifying it in June's meeting. Fetterman was also presented with a Retirement Plaque thanking him for his 20 years of service to EEA. Mollenkopf moved to ratify Resolution 01-2025 as presented last month, seconded by Archibeque. Motion carried.

RESOLUTION 01-2025

Retirement of Jerry Fetterman

WHEREAS, Jerry Fetterman has served as a member of the Board of Directors of Empire Electric Association, Inc. since June 11, 2005;

WHEREAS, Jerry will retire from the Board of Directors on June 19, 2025;

WHEREAS, Jerry has been an invaluable counselor on this Board and to the management and employees of EEA;

WHEREAS, Jerry has served as the Secretary / Treasurer for EEA, the Board Member for Tri-State and on several committees for EEA;

WHEREAS, serving a total of 20 years as a Director with EEA, Jerry distinguished himself with his deep knowledge and abilities related to rural electricity, and the expertise and leadership developed during that career has been invaluable to EEA during his tenure.

NOW THEREFORE, BE IT RESOLVED, that the Board hereby expresses its gratitude to Jerry Fetterman for his service on the Board of Directors, for his sound business advice and valued counsel, and for all that he has contributed to the Board of Directors and to EEA; and

BE IT FURTHER RESOLVED, that the Board of Directors wishes Jerry continued success in all his endeavors and expresses our hope for his continued health, happiness, and prosperity; and

BE IT FURTHER RESOLVED, that a copy of this resolution be presented to Jerry Fetterman as a token of our respect.

Financials: Johnson reported on April's financials. She discussed the operating margin and what drives the expenses. She discussed the variances line by line. She mentioned other revenue and joint use fees. Last month

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were under budget in operating expenses but this month we are over budget. Johnson stated that this was a result of timing and should recover throughout the year.

Miscellaneous: Dellinger mentioned that we continue to work with the hospital on their micro grid program. Tri-State is doing an end-user survey and they allowed us to include a question. The question we included was about utilizing SB-107 to open our easements to facilitate broadband expansion in our area. Tri-State will send out these surveys by email to randomly selected members.

Dellinger reminded the board that the Annual Meeting is next Thursday, June 19th. We will need someone to do the prayer and the pledge of allegiance. Due to the absence of Fetterman, Lindsay will do the quorum report and the proof of publication. Archibeque will do the prayer, and Barry will do the pledge of allegiance.

Director Roundtable: Archibeque stated that he would like to attend the NRECA Region 7 meeting this year. He will likely become the President of CREA next year since he is currently serving as its Vice President, and he thinks that it would be beneficial to start attending these types of meetings. The board agreed that he should attend this meeting.

Barry thanked the staff and the board for attending the Monticello City Council meeting. The mayor called him and thanked him for EEA's attendance at their council meeting.

Lindsay mentioned that there was an outage due to arching at the substation on Monday. He stated that he spent some time with Ken Tarr up at the substation. He recommended that it would benefit the board to look at the substations and how they work. Dellinger explained what happened at the substation that caused the arching and what had to be completed to fix it and get power restored. Archibeque thanked Dellinger and Carter for the communication about the outage so that he was able to answer questions from members.

Sitton mentioned that he joined Robinson at the Tri-State contract signing ceremony in Denver.

Robinson took an online NRECA class. He thanked Sitton and the board for allowing him to take it. That was the last class that he needed to receive his Director's Certification. He asked the board about how they felt the strategic planning session went and what we could do differently next time. Discussion was had about the strategic planning session and that the facilitation wasn't as good as it has been in the past. Robinson would like to entertain a strategic goal around power supply. There are new programs around BYOR and the expanded BP 115 that will allow us to have some flexibility in our power supply contract. The draft of the strategic planning will be presented to the board in July. The board directed staff to add this to the goals to discuss with the strategic planning draft in next month's meeting.

Attorney: Attorney Shay Denning stated that her report is in the packet. She stated that we received the draft contract for the sale of EEA's HQ property and those terms will be discussed in the executive session. She also reviewed the Tri-State BYOR program agreement. We have an FSA agreement that was signed and filed with FERC. The PPA is in progress and the attorney with SMPA will be providing that to us. Discussion was had about why this needs to go to FERC instead of the PUC. Dellinger explained this process. Denning also has been working on the SB-107 agreement with Clearnetworkx. There is a draft agreement that will be discussed in executive session.

Tri-State: Robinson reported on the Tri-State Board meeting. He stated that Tri-State CFO Todd Telesz has resigned from Tri-State to work for another company. They have hired an interim CFO and are doing a national search for a permanent CFO. They had a cost-savings update from Duane Highley. They are looking at different ways to save costs. They had Rating Agency meetings at the end of May. They aren't expecting any rate increases and removing the negative watch will help this. The BYOR FSA's were filed at FERC. All the wholesale electric contracts were signed and filed. The Demand response tariff was approved by FERC, and this is being rolled out in different phases. Robinson stated that Tri-State will be joining the Southwest Power Pool in April of next year. He showed a slide presentation about transmission projects that SPP has approved for construction and discussed how the Sidney to Holcomb 345 kV line is in Tri-State's territory. The project will be financially beneficial for Tri-State in the long

run, but timing is difficult in the short term because it would increase rate pressure in years where there is already increased pressure. Robinson feels that going into the Southwest Power Pool will be a good thing for Tri-State and for its members. The Tri-State HQ building structural issues are being revisited again. A committee has been formed and will present a recommendation to the board in August. Sitton mentioned that several of the Tri-State directors and staff commented on the quality that Robinson has brought to the Tri-State Board. They were extremely complimentary of Robinson's ability and desire to learn and the effort that he puts into his education.

CREA: Archibeque reported on the CREA meeting. He stated that the search for a new Executive Director is ongoing. The CREA board passed a resolution giving Steve Valdez authority to sign the contract to purchase a new building. They will have a special meeting to discuss the financing options. He explained the timeline on getting the new building scheduled for closing. CREA's lobbyist Taylor Ward will be working on a legislative agenda for next year's session. He gave some examples of potential bills. The Safety and Loss department is looking for a new trainer. Jessie Peeler has resigned and will be working for Grand Valley Power.

Western United: Barry mentioned that he didn't have a report. The sales and financials are in the packet.

Utah Rural Electric Cooperatives Association: Barry couldn't attend this meeting. There is a meeting that he will be attending next week.

Committees: None.

Executive Session: Robinson moved to go into executive session to discuss and receive legal advice regarding the HQ Property Contract, Clearnetworkx Pole Attachment Amendment for SB-107, Tri-State BYOR Project Agreement Updates, Tri-State, the Monticello Franchise Agreement, and CREA, seconded by Barry. Motion carried. We went into executive session at 10:48 a.m. Came out of executive session at 12:29 p.m.

Action Item: Consider HQ Property Sale Contract: Robinson moved to authorize Josh Dellinger, as General Manager, to negotiate and execute the Purchase Agreement for the sale of the Headquarters building, following legal review, seconded by Lindsay. Motion carried.

Action Item: Consider Clearnetworkx Pole Attachment Amendment for SB-107: Mollenkopf moved to authorize Josh Dellinger, as General Manager, to negotiate and execute the Amendment to the Clearnetworkx Pole Attachment Agreement, following legal review, seconded by Archibeque. Motion carried.

Adjournment: Meeting adjourned at 12:40 p.m.



David Sitton, President



Kent Lindsay, Vice President