

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
November 14, 2025

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, November 14, 2025, with the following directors present: David Sitton, Kent Lindsay, Bob Barry, Larry Archibeque, Corey Robinson, Bill Mollenkopf, and Doug Sparks. Others present: General Manager Josh Dellinger, 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: Attorney Shay Denning.

Others present by web conference: Members Greg and Emiko South

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

Approve Consent Agenda:

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

Membership Input: None

Monthly Safety Report: Dellinger stated that the safety report is in the board packet. We had no personal injuries or property damages in October. He highlighted that we are updating our Emergency Action Plan to comply with our new Member Services facility. The Safety Committee is looking at a new safety training structure for 2026 and are working with NRECA to develop a safety survey for our employees to be conducted later this year.

Correspondence:

1. CFC Report from the Board
2. Federated Member Update – October 2025
3. Western United Patronage Retirement

Thank you letters:

1. Brandt Mack for purchasing his steer at the Montezuma County Fair Livestock Auction
2. Energy Outreach Colorado for our matching donation

Policy Review/Action:

Action Item: Policy 53: Regulation Governing Change of Tariffs (11-10-23): Dellinger stated staff and legal reviewed and there were no suggested edits, but it was noticed that we needed to change our physical address within this policy since we are moving. Sitton suggested that we go through all our policies and put all the policies that need addresses updated on the agenda next month for board approval. Robinson moved to approve Policy 53 as presented, seconded by Sparks. Motion carried.

Policy 54: Immediate Shut-Off Appeal (11-10-2023): Dellinger stated that staff and legal reviewed and there were no suggested edits.

General Manager Report:

Action Item: Consider CoBank Ballot Measures: Dellinger stated that CoBank is holding a special election to propose changes to its bylaws. In summary, CoBank would like to increase the amount of preferred stock it may

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have outstanding at any one time from \$2.5 billion to \$4.5 billion. CoBank started issuing preferred stock in 2008 and made increases to its limit in 2011 and 2016. In connection with the proposed bylaw amendments, CoBank is also seeking approval for its proposed preferred stock revolver terms. The materials CoBank provided for this election are included in the packet for board review. Robinson moved to designate Josh Dellinger, as General Manager, to complete the proxy form and ballot for the CoBank Bylaw amendment measure and direct Dellinger to vote to approve the ballot measures, seconded by Lindsay. Motion carried.

Action Item: Consider 2026 Kinder Morgan Budget Filing: Dellinger explained that both the 2026 Kinder Morgan (KM) and Cortez Pipeline budget filings are included in the board packet. These budget filings are used to calculate the monthly customer charges. These customer charges are determined by using methodologies defined in the SCS-1 (for KM) and SCS-2 (for Cortez Pipeline) tariffs. After board approval, both budget filings will be sent to KM, and the KM budget will also be filed with the Colorado Public Utilities Commission per a 1986 order from the PUC. Lindsay moved to approve the 2026 KM Budget Filing as presented, seconded by Robinson. Motion carried.

Action Item: Consider 2026 Cortez Pipeline Budget Filing: Robinson moved to approve the 2026 Cortez Pipeline Budget Filing as presented, seconded by Sparks. Motion carried.

Action Item: Consider SCS-1 Tariff Updates: Dellinger explained that the SCS-1 tariff sheets 10E and 10R are in the board packet. Sheet 10E states the 2026 monthly customer charge and Sheet 10R is the updated 10-year load forecast that KM provided to EEA this past October. Once these are approved, they will be filed with the PUC and sent to KM. Archibeque moved to approve the SCS-1 tariff updates as presented, seconded by Mollenkopf. Motion carried.

Action Item: Consider the 2026 EEA Budget: Dellinger mentioned that the 2026 EEA Budget is in the packet for board review and consideration. Johnson went over the changes that were made from the budget review in October. The most significant change is the removal of the Air Products load. Air Products is apparently closing its facility in Cahone. As the largest contributor to our operating margin, this loss has material effects on the budget. A discussion was had on our vegetation management plan. Robinson asked if the board could possibly get a presentation on how the vegetation management software works. Tarr will arrange this presentation for a future board meeting. Archibeque moved to approve the 2026 EEA budget as presented, seconded by Robinson. Motion carried.

Power Factor Presentation: Dellinger stated that last month, the board asked for a presentation on power factor. Dellinger gave a presentation that explained what power factor is and why electric utilities must consider it. The board discussed power factor and considered questions related to how power factor is applied. Following discussions, staff will review member communication plans to ensure we communicate power factor considerations to our large power members. The Rate Design committee will look at our power factor adjustment clause when it convenes in 2026.

Financials: Johnson reported on September's financials. She stated that the financials have recovered due to timing differences and have helped our bottom line overall. Our financial goals and loan covenants continue to be in line.

Miscellaneous: Dellinger stated that due to the billing error that he notified the board about last month, our system techs visited every large power account to verify billing data matches what is in the field. No other discrepancies were found. We have now put in place a procedure so that all large power accounts are inspected each year.

EEA is moving towards fixed due dates each month for invoices. This is the result of our member survey and is also a best business practice. Snyder discussed how this effort will add efficiencies to the billing process. We also will be tightening up the collection process. Additionally, we will give the member about an extra week for the due date of their bill, but late fees will now hit members more quickly after their due date has passed.

Dellinger mentioned that the donation committee directed staff to send out a letter to our ongoing donation recipients asking them to send us updated financial statements and an explanation of what they are doing with their funds. Several of those entities have sent in their information and McLaughlin has included those in the board packet.

Dellinger reported that he has been coordinating with CFC about holding an equity management workshop for the board and staff. This should fit well with our strategic planning discussions from this past year and our upcoming rate discussions next year. We are looking at Wednesday, February 11, 2026, for the workshop as that date works well for CFC. This would be right after the CREA annual meeting event and just before our regular February board meeting. The board finds this date acceptable.

Director Roundtable: None

Attorney: Attorney Shay Denning stated that her written report is in the board packet. There was discussion on the DER interconnection agreement, the NDA for a possible BYOR project, and the Totten Estoppel.

Tri-State: Robinson reported on the Tri-State meeting. He discussed the HILT tariff update, the Pat Cap Retirement Suspension, the Boone-Huckleberry transmission line, Colowyo water rights, demand response update, BP100 tweaks for 2026, and September financials.

CREA: Archibeque reported on the CREA meeting. He discussed the CREA budget, the CREA managers meeting, the CREA Western Slope meeting at White River Electric, and a possible Colorado wildfire bill.

Western United: Barry reported on the Western United meeting. WUE is starting to move into Kansas, Nebraska, and Idaho. They are working on their patronage retirements. Barry talked about the statute that states that if an entity has an SBA loan, they can't conduct business with them. They are looking deeper into this statute. They have expanded their yard, and they continue to do well.

Utah Rural Electric Cooperatives Association: Barry reported on the URECA meeting. They had the Pheasant Hunt that generated lots of funds. They have had a lot of problems with fires this year. The legislative meeting is coming up in February.

Committees: The Donation Committee asked McLaughlin to write a letter to all of our ongoing donation recipients asking them for updated financial information along with what EEA's donation funds are going to. The deadline to receive this information is December 1, 2025. Here is a list of recipients that have submitted the information to date.

- Montezuma Cortez High School
- The Cortez Celtic Fair
- Cortez Public Library
- The Four Corners Child Advocacy Center
- Mancos Fire Protection District
- Dolores County Public/School Library
- Cancer Resource Alliance of Montezuma and Dolores Counties
- Monticello High School


- Southwest Memorial Hospital Foundation
- Tri-City Soccer Association
- Cortez Fire Protection District

The Scholarship Committee met on Thursday, November 13th to go over the scholarship policy and establish timelines and the rubric. The committee identified a common way to evaluate the applications. They also identified permanent dates to meet to make decisions. They also will meet at the conclusion of the scholarship process to review policy.

The Bylaw committee will be meeting directly after today's board meeting.

Executive Session: Archibeque moved to go into executive session to discuss Tri-State and receive legal advice, seconded by Robinson. Motion carried. Went into executive session at 12:19 p.m. Came out of executive session at 12:50 p.m.

Adjournment: Meeting adjourned at 12:50 p.m.



 David Sitton, President



 Bob Barry, Secretary / Treasurer