

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
September 11, 2026

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, September 11, 2026, with the following directors present: David Sitton, Kent Lindsay, Bob Barry, Larry Archibeque, Bill Mollenkopf, and Doug Sparks. Others present: General Manager Josh Dellinger, Executive Secretary / HR Representative Shawna McLaughlin, Operations and Engineering Manager Ken Tarr, Finance Manager Ginny Johnson, Business Services Manager Chris Snyder, and System Engineer Dalton Randolph. Appearing by web conference: Director Corey Robinson and Attorney Shay Denning. Absent was Member Engagement Manager Andy Carter.

Others present in person: Member Susan Kemnetz.

Others present by web conference: Members Emiko and Greg South.

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

Approve Consent Agenda:

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

Membership Input: Member Susan Kemnetz attended the meeting to discuss billing issues. She stated that she mailed her payment a month ago and recently received a call saying that she was delinquent. She mentioned that she read an article in the Colorado Country Life about how EEA accepts different types of payments and that mailing in a check cost the company more than other ways of payment. She would like to suggest for us to save costs, EEA could stop sending prepaid envelopes and the members could continue to pay by check using their own stamp and not be forced into a different type of payment. Sitton mentioned that the directors are always discussing ways to save money and ways to provide customer service to our members, and that we are not pushing people to adopt one form of payment over another; we are simply providing information on the costs to the co-op.

Member Emiko South stated that there were several people on social media that are requesting a drop box. She stated that some members cannot get to the company during EEA's business hours. She mentioned that it would be convenient for EEA to have a drop box at City Market.

Monthly Safety Report: Dellinger stated that the safety report is in the board packet. There were no personal injuries or property damages. Sitton mentioned that he sent a photo to Tarr and Dellinger regarding a work site he came across with the boom of a truck across a county road with no traffic control. This concerned him regarding the safety of the crews. Tarr explained what the crews were doing and why the boom was in the road. He stated that he spoke with both the Superintendent and the Working Foreman regarding this. Sitton will attend the safety meeting on Thursday to talk to the crews about what he witnessed.

Correspondence:

1. Federated Member Update – August 2026
2. Galloping Goose Newsletter

Thank you Letters:

1. Dolores Operation Graduation for the donation.

2. Member Nina Williams sent an email complementing our crews for their work the Road 31 project.

Policy Review/Action:

Action Item: Policy 17: Donations and Sponsorships (12-12-2025): Dellinger stated that staff and legal reviewed Policy 17 and minor edits are suggested. Mollenkopf recommended amendments to clarify requirements to remain on the ongoing donation list. Mollenkopf moved to approve Policy 17 as amended, seconded by Archibeque. Motion carried.

Action Item: Policy 18: Facilities Extension and Modification (06-14-2024): Dellinger reported that staff and legal reviewed Policy 18, and minor edits were suggested. It was mentioned that this policy may need to be addressed again after the PUC adopts rules relating to meter collars adapters based on requirements in HB 26-1007. Sparks moved to approve Policy 18 as presented, seconded by Mollenkopf. Motion carried.

General Manager Report:

Action Item: Select 2027 Annual Meeting Date: Dellinger stated that the Annual Meeting date needs to be selected for 2027. We normally have the meeting the 3rd Thursday in June, which would be June 17, 2027. Lindsay stated that our normal meeting date conflicts with the City of Cortez's Third Thursday in the Park. It was suggested that we have it on Tuesday, June 15, 2027 and have the regular board meeting on Wednesday, June 16, 2027 so that our attorney could attend both meetings in person that month. Robinson noted that our regular board meeting in April conflicts with the Tri-State annual meeting and he asked that we consider moving the April regular board meeting. The directors decided to move two of our meeting dates for 2027. April's regular board meeting will be held on Friday, April 16, 2027 and June's regular board meeting will be held on Wednesday, June 16, 2027. Lindsay moved to select Tuesday, June 15, 2027 as our Annual Meeting date, seconded by Mollenkopf. Motion carried.

Director Lindsay left the meeting at 9:35 am.

Review Ongoing Donations for the 2027 Budget: Dellinger stated that the ongoing donation budget is in the packet for review. These are the donations that are given each year and need to be approved to be funded in 2027. It was discussed who would stay on the ongoing list. Consensus of the board is to move the Empire Sports and the Employees children's HS Graduation gifts from the donation list to employee benefits. They agreed to remove the Four Corner School of Outdoor Education from the ongoing donation list. The board elected to meet as a committee of the whole to review the new donation requests. The board will have that meeting on September 28, 2026 at 10:00 a.m.

Action Item: Consider Updating Wildland Fire Protection Plan: Dellinger explained that H.B. 66 – Wildland Fire Planning and Cost Recovery (WFPP) was signed into Utah law in 2020. The law requires utilities to develop a wildland fire protection plan and offers legal protections for utilities that comply with their plans. New WFPP plans must be submitted every three years. We submitted our last plan in 2023, and our new plan is due to the Utah Public Service Commission (UTPSC) by October 1, 2026. Randolph developed our new WFPP and it is in the packet for board consideration. Sparks moved to approve the updated WFPP, seconded by Mollenkopf. Motion carried.

Action Item: Consider CFC 2027 Nominating Committee and Select Voting Delegate: Dellinger mentioned that the CFC District 7 meeting is scheduled for October 6th in Salt Lake City, UT. It will be held in conjunction with the NRECA Regional meeting. The only business to be completed is voting on the proposed 2027 nominating committee. We can vote in person or via mail. Archibeque moved to appoint Doug Sparks as voting delegate, seconded by Barry. Motion carried.

Review Financial Forecast: The board reviewed our latest long-term financial forecast. With the rate increase we are taking in 2027, we anticipate having stable rates to 2031. Of course that is just a forecast, but we are hopeful that we will not need another rate increase for several more years.

Financials: Johnson reported on the July financials and explained the budget variances. EEA continues to meet all our financial goals and loan covenants.

Miscellaneous: Dellinger stated that Engineering callback time is back down to 4 weeks. We hired a new Engineering Technician named Tyler Chambers.

The Dolores Watershed Collaborative (DWC) asked us to support their application for a USDA Regional Conservation Partnership Program (RCPP) grant. The grant would support forest thinning and water enhancement programs in Montezuma County. They will be able to count the money we spend on vegetation management as matching partnership funds for the grant application. We provided a support letter.

Director Roundtable: Mollenkopf stated that he visited with former director Jerry Fetterman and he is doing okay. He passed along Fetterman's regards to the board and staff.

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. He stated that Lucas Bear the Tri-State Director from NRPPD passed away in a car accident last night. The board approved the budget and capital plan for 2027. The credit agencies confirmed Tri-State's current ratings and outlook. The board approved BP315 and BP515. The board also approved of Tri-State acquiring WREA's transmission assets via a BP 109 purchase agreement. They also received an update on the Western Resources Adequacy Program.

Colorado Rural Electric Association: Archibeque reported on the CREA meeting. He talked about where CREA stands on data centers. He spoke about what liability falls on directors for wildfires. He spoke about legislation coming up. He stated that it is very important that cooperatives stand united on legislative topics that will affect cooperatives. Archibeque mentioned that he suggested to CREA that they needed a brochure that showed their roles and responsibilities as a board member and as an officer to the board. CREA came up with brochures stating this. Shay Denning is now the attorney for CREA.

Western United: Barry reported on the Western United meeting. He mentioned that he attended the Fish Fry and the meeting. He stated that the financial and sales report is in the packet.

Utah Rural Electric Cooperatives Association: Barry reported on the URECA meeting. He stated that they will be doing a tour of the Bonanza Coal Plant in December. They had discussions about the wildfires in Utah. Moon Lake has a mapping system that they would be willing to allow others to use.

Committees:

Action Item: Consider Capital Credit Committee Recommendations: Dellinger stated the Capital Credit Committee met and discussed options for allocating our non-operating margins that are not attributable to G&T credits, which we refer to as OTHER capital credits. The recommendation from the committee is to only allocate revenue we receive from associated organizations, to allocate to each rate class based on the number of accounts in the rate class, and then to allocate to individual members of each class based on revenue/patronage. All other non-operating revenue will be kept as permanent equity, which will reduce rate

pressure. Mollenkopf moved to approve the committee's recommendations as amended, seconded by Sparks. Motion carried.

Executive Session: Archibeque moved to go into executive session to receive legal advice, discuss Tri-State, Consider KM/CPC land purchase offer, receive an OSHA citation update, CREA, discuss wildfire liability litigation and receive legal advice related to risk, and receive a BYOR update, seconded by Sparks. Motion carried. Went into executive session at 11:43 a.m. Came out of executive session at 1:35 p.m.

Action Item: Consider KM/CPC land purchase offer: Sparks moved to approve the land purchase offer from KM/CPC, seconded by Mollenkopf. Motion carried.

Adjournment: Meeting adjourned at 1:37 p.m.



David Sitton, President

Bob Barry, Secretary / Treasurer