

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS
Cortez, Colorado
June 20, 2024

General Manager Josh Dellinger welcomed everyone to the Empire Electric Association, Inc. ("EEA") annual meeting.

Dellinger began the meeting by recognizing any past or present military and law enforcement members. He also recognized Tri-State Chief Administrative and Chief Human Resource Officer Elda dl la Pena and CREA Executive Director Kent Singer.

The Invocation was provided by Director Norman Butler and Pledge of Allegiance was led by Director Bob Barry.

President David Sitton explained the process used when a member wishes to speak at the annual meeting.

President Sitton called the meeting to order at 5:34 p.m.

President Sitton introduced the Board of Directors as follows: District 6, President David Sitton; District 5, Vice President Kent Lindsay; District 1, Secretary-Treasurer Jerry Fetterman (Tri-State board representative); District 2, Bob Barry (Utah Rural Electric Association representative and Western United representative); District 3, Corey Robinson; District 4, Norman Butler; and District 7, Larry Archibeque (Colorado Rural Electric Association representative).

Attorney Tyler Denning introduced the election judges: Elena Pricket, Ruby Gonzales, and Mark Winkles. He announced the candidates for District 4: Bill Mollenkopf and Norman Butler; and for District 7: Larry Archibeque. He reported on the voting procedures and asked if there were any members present who had not voted yet but would like to. Seeing that there were no members who still needed to vote, Denning closed registration.

Secretary-Treasurer Jerry Fetterman presented the quorum report. He announced that the number of members present required to constitute a quorum is 50 and the number of members present at the meeting was 75. A quorum was declared, and the meeting was officially opened for business.

Secretary / Treasurer Fetterman presented the Notice of Meeting and Proof of Publication for the Annual Meeting.

President Sitton called for approval of the minutes of the June 15, 2023, annual meeting held in Cortez, Colorado. Member Bill Mollenkopf moved to approve the minutes as presented, seconded by Member Ken Curtis. Motion carried.

President Sitton gave the president's report. His first topic was EEA's Safety Program. He stated that the board is very supportive of the cooperative's safety efforts. He reminded everyone to be aware and to be safe, whether it's at work or in our spare time. He commended Tri-State for being a good business partner. Sitton then spoke about our rates and noted that we have been able to keep them stable and we continue to maintain a fair and equitable rate structure. Our financial situation continues to be positive, and we are meeting or exceeding all of our financial goals. In the late 1990's, we started a telecommunications company and unfortunately it went bankrupt. After the bankruptcy, we partnered with LaPlata and developed FastTrack. This year we sold that company. This was a big accomplishment and a benefit to EEA. He also spoke about our strategic plan of moving from two campuses to one. The board and staff decided to build a new headquarters

adjacent to the Engineering and Operation building and combine the two campuses. We have engaged an architect for building design, and we have started getting cost estimates from various contractors. We will do this with minimal rate impact. We currently have the properties for sale on North Broadway. We will continue to maintain the service that our membership expects from us.

Finance Manager Ginny Johnson reported on EEA's financial condition for Secretary-Treasurer Jerry Fetterman. She went over the 2023 financials and stated that we have met or exceeded all financial goals. She mentioned that the results from operations for 2022 and 2023 are very similar. The cooperative divested its interest in FastTrack, and this transaction accounts for the majority of the variances between the two years. She discussed the balance sheet, capital equities, deferred credits and the statement of operations. The cooperative refunded \$1.6M in capital credits in 2023 and has retired over \$40.3M in capital credits in its history.

General Counsel Tyler Denning gave the Attorney's report. He explained what his role is as the contract general counsel for EEA. He reported that EEA is not facing any material legal actions. He has helped with contracts, policies, and the divesting of FastTrack. He stated that his work has been somewhat boring this year, which means that the cooperative is in good hands and continues to move in the right direction.

General Manager Josh Dellinger expressed the appreciation he has for the board, employees, past board, and past employees. He stated that 2023 was another successful year in which we focused on our core mission of safely, responsibly and reliably meeting our members' electrical needs. He stated that safety is the first thing mentioned in our mission statement and this is intentional because safety is a prerequisite for being responsible and ultimately reliable as well. We work very hard to maintain a culture of safety at EEA. This culture starts at the top, where our board members set the tone of the safety culture. We have gone over 6 ½ years since we have had a lost time accident. The greatest award of our safety program is keeping our employees safe. We are also here to responsibly meet our members' needs. He focused on costs. He stated that we have a vested interest in keeping rates affordable. We have worked very hard to improve operating efficiencies to keep rates stabilized amid rising costs. He spoke about how in the past, our rates were some of the highest in the state. He is proud to say that we currently have rates that are now in the lower echelon of the state. We remain fully committed to providing great service at a highly competitive price. The last thing mentioned in our mission statement is reliability. We consistently provide 99.9%+ reliability from year to year. Our reliability in 2023 was 99.98%. He talked about the Board's strategic plan to develop specific goals to support our mission. He mentioned some of the projects that are in the works. One of the objectives is to develop consistent and equitable policies and practices to accommodate member driven projects. We developed an online estimator tool for our members to quickly estimate the cost of a new service. The board approved changes to our Facility Extension and Modification policy where EEA contributes more towards projects that will benefit the entire system. We also set a clear path forward for our involvement with FastTrack. The board recognized that we needed to either invest capital to grow the company or divest from the organization. We received an attractive offer and determined it was best to sell. Funds from the sale along with other extra revenue from the Employer Retention Tax Credit, Totten Lake property sale, and interest will be used to offset the cost of moving the HQ to the E&O campus with minimal rate impact to our members. Dellinger also noted our grant funding efforts. There is an unprecedented amount of federal funding, and we have applied for grants that will benefit our system. Our applications have centered around funding to replace overhead lines with underground lines in forested areas, upgrade distribution transformer, upgrade protected devices, and implement new vegetation management processes and practices. We have had some denied, some funded, and some that we continue to be in the running for. We will continue to submit applications for projects that make sense for our system and members. We will continue to safely, responsibly and reliably meet your electrical energy needs. Dellinger then introduced Tri-State Chief Administrative and Chief Human Resource Officer Elda de la Pena.

Tri-State Chief Administrative and Chief Human Resource Officer Elda de la Pena reported on behalf Tri-State. She thanked Jerry Fetterman for his service on the Tri-State board and mentioned that he will be retiring from that board next month. She stated that Tri-State is a cooperative of cooperatives. They have 41 members with one million consumers over nearly 200,000 miles of transmission line. She explained what Tri-State is doing with reliability, affordability and responsibility. She spoke about their 20-year power supply and transmission plan. Things continue to change in the electric industry, and Tri-State is actively planning for the future. Tri-State is working to maximize available state and federal funding opportunities. She stated that Tri-State has filed a new rate with FERC that, if approved, will include an increase of 6.4%. She explained their new Bring Your Own Resource Program that was filed with FERC. This will offer members more flexibility. She stated that Tri-State is positioned to have 70% of the energy they receive will be from renewable power by 2030. She explained that they are currently building and purchasing two solar projects. By 2030 they will reach an 89% reduction of green house gas emission in Colorado. She also thanked Michelle Pastor their relationship manager for helping take care of their members.

Dellinger then introduced Colorado Rural Electric Association (CREA) Executive Director Kent Singer. Singer reported that CREA has been representing Colorado coops for 79 years and is headquartered in Denver. They provide a variety of services for cooperatives. He mentioned that CREA helps cooperatives with their safety culture, they publish Colorado Country Life Magazine, and they watch the state legislature to make sure that the bills that go through are what's best for the cooperatives. He thanked Larry Archibeque for being the Vice President of the CREA Board of Directors. He also mentioned that they have an education department that helps to provide training opportunities for the directors and employees.

President Sitton called for questions, comments, or suggestions from the audience.

- Emiko South asked if we would have a community room similar to the Calvin Denton room in our new building. Sitton stated that was discussed but due to the costs it would add to the building, the board and staff have decided not to.
- Elise Goggin thanked Member Engagement Manager Andy Carter for his responses that were given to her when she inquired about the Sun Bear Project. She stated that continuing to provide reliable energy we will need to set aggressive goals and being accountable for those goals. She would like us to look into creative ways to take advantage of some of the changes that Tri-State is making with its BYOR program. She would like EEA to become more energy forward by looking at community solar and distributed energy resources. She would like us to have a cleaner energy future in a responsible, reliable way.
- Emily Waldron asked if Empire has goals to have a certain amount of renewable energy by a certain date. Sitton stated that we are strongly tied to Tri-State's goals due to our all-requirements contract and that Tri-State has been aggressively adding more renewable power. We are also currently hitting our 5% with the solar projects that have currently been built. If we have the opportunity with the BYOR program, we will look at those options.
- Jessica Cowan stated that she was born and raised in the four corners. She is a doctor and about 5 weeks ago she had a patient die from coal-related illness. She stated that she wants EEA to really look at the BYOR program to make energy transition work for this community from a job standpoint and an energy dependency standpoint. She would like to celebrate what we have done and would like to continue to move forward faster away from coal if we can.

The election results were finalized and presented by General Council Tyler Denning.

District 4

Bill Mollenkopf - 1271 Denning declared Mollenkopf the winner of District 4

Norman Butler - 844

District 7

Larry Archibeque – 1870 Denning declared Archibeque the winner of District 7

Member Engagement Manager Andy Carter conducted the general prize drawing. Prizes included three \$25 electric bill credits won by Carolyn Hoff, Edward Dunn, James Huston; two bill credits for one year of solar production from panels in the Solar Assist solar garden won by Racene McLaughlin and Karen Kingery; a \$50.00 Home Depot Gift Card donated by Entrust Solutions Group, LLC won by Peter Hale; and the grand prize was an electric smoker, spices and utensils donated by Tri-state won by Paul Bostrom .

President Sitton adjourned the meeting at 6:47 p.m.

ss/David Sitton, President

ss/Jerry Fetterman, Secretary/Treasurer