

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE ANNUAL MEETING OF MEMBERS
Cortez, Colorado
June 19, 2025

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 representatives from Tri-State and CREA.

The Invocation was provided by Director Larry Archibeque and the 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; District 2, Bob Barry (Utah Rural Electric Association representative and Western United representative); District 3, Corey Robinson (Tri-State representative); District 4, Bill Mollenkopf; and District 7, Larry Archibeque (Colorado Rural Electric Association representative). Absent was Secretary-Treasurer Jerry Fetterman and Director Bill Mollenkopf.

Attorney Shay Denning introduced the election judges: Elena Pricket, Mark Winkles, and Greg South and Alternate Judge Juanita Reddert. She announced the candidates for District 1: Jeff Busic, S J Duncan and Douglas D. Sparks; and for District 2: Robert A. Barry. She 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.

Vice President Kent Lindsay 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 and registered at the meeting was 54. A quorum was declared, and the meeting was officially opened for business.

Vice President Kent Lindsay presented the Notice of Meeting and Proof of Publication for the Annual Meeting.

President Sitton called for approval of the minutes of the June 20, 2024, annual meeting held in Cortez, Colorado. Member Ken Curtis moved to approve the minutes as presented, seconded by Member Brandon Johnson. Motion carried.

President Sitton gave the president's report. Sitton mentioned that EEA is in the process of building a new Member Service Center on the Engineering and Operations ("E&O") campus. He gave the history of the E&O property and noted that getting all our business functions back on one campus has been one of the board's strategic goals. He explained that funding will come from the sale of the Headquarters Building, which we are in the process of negotiating a sale contract, the sale of the Totten Lake property, the sale of the storage yard on N. Broadway, and the sale of FastTrack. This additional revenue will allow us to build the new HQ building without requiring any increases in rates for the purpose of funding the construction. He also spoke about the grant funding that we have applied for and what we have been awarded. These grants will help upgrade our

system and help provide fire mitigation in high-risk areas. He mentioned that Director Jerry Fetterman has been a board member for 20 years and has been a great resource for EEA. He will be retiring from the board, and we wish him all the best.

Finance Manager Ginny Johnson reported on EEA's financial condition for Secretary-Treasurer Jerry Fetterman. She spoke about the annual financial report for 2024. She stated that we exceeded all our financial goal metrics for 2024. She spoke about the amount of capital credits that we received from other cooperatives that we are members of. She went over the balance sheet and explained changes from the previous year. She spoke about deferred revenues, labor, inflation, interest, non-operating margins, and other deductions. We retired \$1,678,789 in capital credits to our members this year, which brings the total amount of capital credits refunded in our history to \$42,032,020.

General Counsel Shay Denning gave the attorney's report. Denning mentioned that it was nice to be back as the general council for EEA. She mentioned some of the contracts that she has been working on that will help EEA utilize additional flexibility granted in the new Tri-State contract. She spoke about the Wholesale Electric Services Contract with Tri-State, the contract to construct the new Headquarters facility, and the contract to sell the current HQ building. She stated that EEA is well positioned to take advantage of whatever the industry market throws at EEA in the future.

General Manager Josh Dellinger mentioned that there have been a lot of very good things that have happened over the last year. We've been able to keep our financial metrics strong, while also maintaining stable rates. He mentioned the new Member Service Center, which has been in the making for 16 years. He spoke about the FastTrack sale that will help us build the new Member Services Center without upward rate pressure. He noted grant funding that will help with wildfire resiliency and system upgrades. We signed a new Wholesale Electric Service Contract with Tri-State, which secures our power supply for the next 40 years. We signed a flexible power supply agreement with Tri-State through the Bring Your Own Resource program for a shared 20 MW solar project in Naturita. We partnered with San Miguel Power and Gunnison County Electric on this project. This will be beneficial to both EEA and Tri-State. We have executed new franchise agreements with the City of Cortez, the Town of Mancos, and the Town of Dolores over the past 18 months and we are honored that those municipalities continue to put their trust in us to serve them. We have had numerous big projects, but we haven't lost sight of the little things. Big projects are fun to discuss and satisfying to complete, but doing the ordinary, day-to-day things with excellence is what drives our success. We continue to strive for excellence in our safety culture, purchasing, and taking care of our members. He spoke about the member survey that we completed at the beginning of this year. We were told by our members that they want us to focus on reliability, affordability, and customer service. He stated that our reliability stays around 99.97% year after year. He stated that we have some of the lowest rates in the state. We are in the bottom third among cooperatives in the state. We are continually looking for ways to enhance our customer service capabilities. We are proud of the major projects that we have completed, and we will pursue future projects with diligence and thoughtfulness. Our main focus will continue to be on excellent reliability, affordable prices, and top-notch customer service. He then introduced Tri-State's Chief Energy Innovations Officer Reg Rudolph.

Tri-State Chief Energy Innovations Officer Reg Rudolph gave a report on Tri-State. Mr. Rudolph spoke about the role that Tri-State plays in power supply and gave some background about Tri-State. They have a large area that they supply power to. In Colorado, by 2030 more than 80% of Tri-State's electricity will come from renewable resources. Also, by 2030, Tri-State's greenhouse gas emissions in Colorado will be reduced by 80% from a 2005 baseline. The two things that Tri-State concentrates on are reliability and affordability. He spoke about member flexibility and the programs that have been developed by Tri-State to allow its member cooperatives to take advantage of greater flexibility in their power supply options.

Dellinger introduced Colorado Rural Electric Association (CREA) Executive Director Kent Singer. Singer spoke about CREA’s role in the Colorado cooperatives. He mentioned that CREA has lobbyists that keep track of the state legislation that will affect cooperative matters. He stated that they engaged on many bills this past year. He spoke about bills regarding installing residential solar, data centers, and fire mitigation. He also spoke about the Washington DC Youth Leadership Tour that is sponsored by CREA. Mr. Singer will be retiring at the end of this year.

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

- David Sanford spoke about being a 50 plus year member of EEA. He mentioned that he couldn’t register for the meeting until exactly 4:30 and he thought that was silly. He also spoke about the very large annual meetings that EEA use to put on. He stated that he has been attending meetings since the 1960’s, where there would be over 200 people in attendance. Sitton addressed the declining attendance at the annual meetings. We have attempted to get more members to attend and would love for these meetings to be larger. The board has elected to not spend large amounts of money on these meetings, and we will continue to look for better ways to have the meeting while keeping our cost low. The board would rather keep our rates low than spend thousands of dollars to get more attendance at the meetings but would appreciate ideas from the members on how to increase attendance in the future.
- Darlene Dennison asked about the outage that happened a couple of weeks ago. She was concerned that there were two substations that went down. Dellinger clarified that there was only one substation, but two of the seven circuits out of that substation experienced an extended outage. He explained that a switch failed and took out the entire substation. Crews arrived on site, isolated the problem, got the other 5 circuits back on quickly, fixed this switch, and then got the last two circuits back on within 3 hours.
- Elise Goggin asked if educational opportunities are offered to the community. EEA is a trusted resource, and she feels that providing information with the basic principles of electricity would be beneficial to the community. Dellinger stated that we have in the past offered Power To classes to the members, but they were poorly attended. This does not mean that we will not do these in the future. We continue to provide information in the Colorado Country Life magazine, and we also try to put information on our website. We are always looking for good ideas for how to engage members on topics that are of interest to them.
- Russ Taylor stated in October 2024, Tri-State was awarded a large amount of money for energy investments and he wondered where that money has gone and if there is any more money left. Reg Rudolph stated that the money is still available, at least for the time being since it is always subject to changes at the federal governmental level, and that Tri-State has a plan to use it to fund the early retirement of uneconomical coal power stations and build more economical and cleaner resources.

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

District 1

Jeff Busic	812	Denning declared Sparks the winner of District 1.
S J Duncan	344	
Douglas D. Sparks	1048	

District 2

Robert A. Barry	1665	Denning declared Barry the winner of District 2.
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Member Engagement Manager Andy Carter conducted the general prize drawing. Prizes included three \$25 electric bill credits won by Elenore MacFarlane, Carolyn Ower, and Susan Kemnetz; two bill credits for one year of solar production from panels in the Solar Assist solar garden won by James Huston and Darlene Dennison; and the grand prize 65-inch Vizio Smart TV donated by Tri-state won by Ken Curtis.

President Sitton adjourned the meeting at 6:53 p.m.

ss/David Sitton, President

ss/Kent Lindsay, Vice President