

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
JANUARY 09, 2026

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, January 09, 2026, with the following directors present: Kent Lindsay, Larry Archibeque, Bill Mollenkopf, Corey Robinson, and Doug Sparks. Others present: General Manager Josh Dellinger, Attorney Shay Denning, Executive Secretary / HR Representative Shawna McLaughlin, Operations and Engineering Manager Ken Tarr, Financial Manager Ginny Johnson, Member Engagement Manager Andy Carter, and System Engineer Dalton Randolph. Appearing by web conference: President David Sitton and Business Services Manager Chris Snyder. Absent was Director Bob Barry.

Others present in person: Montezuma County employees Jim Spratlin, Jane Duncan, and Doug Roth. Representing Pueblo Seed and Grain Hub were Dan Hobbs, Vanessa Malloy and Pete Montoya.

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 as presented, seconded by Sparks. Motion carried.

Membership Input: None.

Presentation by Montezuma County Emergency Management Jim Spratlin and Doug Roth regarding county use of EEA's GIS Data (8:35 a.m.): Jim Spratlin, Doug Roth, and Jane Duncan visited with the board about EEA's GIS mapping and how they utilize those maps within the county. They discussed who has access to the information and the mapping information that the emergency management and planning and zoning has for those maps. Discussion was had on the security concerns that EEA has about these maps being on the county website for public viewing. Denning suggested that she and the county's attorney can review the non-disclosure agreement (NDA). The county and EEA need to make sure that everyone is following the NDA. We need to have an agreement about what level of information can be shared within the county. The county will remove any data that they have until we get a new NDA in place and come to an agreement on what level of information goes to each department and what can be shared with the public.

Presentation by Pueblo Seed and Grain Hub Director Dan Hobbs regarding Onward' Legacy Donation Request (9:00 a.m.): Dan Hobbs is requesting that EEA help cover the cost of an electrical upgrade required to operate a seed cleaning facility with seven specialized machines. The cost of line upgrades is estimated to be \$75,000. They are asking that EEA cover half of this expense at \$37,500 with an in-kind donation.

Monthly Safety Report: Dellinger stated that the safety report is in the board packet. We had no personal injuries. There were two property damages. EEA Truck #79 was hit by another vehicle while it was parked at the employee's house. Truck #115 hit a deer on his way to work causing damage to the front end. Neither incident had any injuries. Josh mentioned that we had zero personal injuries in 2025.

Correspondence:

1. 2025 NISC Capital Credit Summary
2. Western United Patronage Retirement
3. CFC Report from the Boardroom
4. Federated Member Update – December 2025
5. CRC Report from the Boardroom
6. Federated Member Equity Account Statement

Policy Review/Action:

Action Item: Policy 28: Scholarship Program (09-12-2025): Dellinger stated that during December's board meeting, the scholarship committee noted that changes needed to be made to the policy to address changes to how schools are applying for scholarships. The Board discussed options for revising the allocations to address the Southwest Open School (SWOS) provision in the policy and home school applicants. Sparks moved to approve Policy 28 with keeping the SWOS section in the policy, make the change that scholarships are affiliated with the school district instead of the school, and update the scholarship amount in the policy to \$49,000 in the budget, seconded by Mollenkopf. Motion carried.

Action Item: Policy 51: Information Disclosure (12-12-2025): Dellinger mentioned that in December's board meeting, the board tasked staff with adding a provision to this policy that would allow EEA to release scrubbed GIS data without having to seek board approval. Mollenkopf moved to approve Policy 51 as amended, seconded by Lindsay. Motion carried.

General Manager Report:

Action Item: Consider the Pueblo Seed and Grain Onward' Legacy Donation Request: The Director of Pueblo Seed and Grain gave a presentation earlier in the meeting. They are requesting that EEA help cover the cost of an electrical upgrade required to operate a seed cleaning facility with seven specialized machines. The cost of line upgrades is estimated to be \$75,000. They are asking that EEA cover half of this expense at \$37,500. Mollenkopf moved to approve a \$2,500 in-kind donation if they have the funds available to finish the upgrade to three phase power, seconded by Lindsay. Motion carried.

Consider Updated Deferred Revenue Plan: Dellinger mentioned that we had this as an agenda item just in case we were ready to approve it, but we are not at this time. We are going to wait until we get the final power bill from Tri-State and the Kinder Morgan reconciliation to see what our final 2025 margin will be. We will then determine if we can reduce the amount of deferred revenue that we recognize in 2025. Hopefully, we will be able to save some of the deferred revenue to be recognized in future years. Dellinger will bring this back to the board in February.

Review the Annual Conflict of Interest and Disclosure Statements: Dellinger explained that Policy 13 calls for the board and key-staff to disclose any affiliations with entities that do business with EEA. This year's disclosure statements are in the packet for board review. The board had no concerns.

Review the Annual Director Expenses and Compensation: Dellinger stated that Policy 15 calls for the board to review the director expenses and compensation. The 2025 report is in the board packet for review. It was mentioned by Mollenkopf that he thinks that we should compensate the president at a higher amount. Currently each board member earns \$1000 per month, and he believes that the president should make \$1,150. Board has no concerns and will leave the amount as is.

Review the Annual Identity Theft Protection Measures: Dellinger mentioned that Policy 45 calls for the board to review the annual report on the measures we take to prevent identity theft. The 2025 report is in the board packet for review. Snyder reviewed these measures with the board. The board has no concerns.

Action Item: Consider Capital Credit Retirement Proposal: Dellinger stated that Johnson has put together a capital credit retirement proposal for the board to consider. Johnson explained the two different scenarios. Mollenkopf moved to go with Scenario #2, seconded by Sparks. Motion carried.

Action Item: Select Delegates for CREA Annual Meeting: The CREA Annual Meeting is scheduled for February 7 – 10 at the Grand Hyatt in Denver. As usual the Western United Annual Meeting will be held in conjunction with this meeting. Dellinger mentioned that we will need to select a voting and alternate delegate for each meeting. Lindsay moved to appoint Archibeque as voting delegate and Barry as alternate delegate for the CREA Annual meeting, seconded by Robinson. Motion carried.

Action Item: Select Delegates for Western United Annual Meeting: Robinson moved to appoint Barry as the voting delegate and Archibeque as the alternate delegate, seconded by Lindsay. Motion carried.

Action Item: Select Delegates for NRECA Annual Meeting: The NRECA Annual Meeting will be held in Nashville, TN on March 7 – 11th. A voting delegate can be selected for this meeting. Archibeque and Sitton will be attending, Robinson moved to appoint Archibeque as the voting delegate and Sitton as the Alternate, seconded by Sparks. Motion carried.

Action Item: Consider Demand Response Offerings: Dellinger explained that Tri-State has recently instituted a demand response program that includes options for smart thermostats, large power loads, irrigation loads, and battery storage systems. He spoke to the board regarding this program and the specific options EEA could enroll in. Discussion was held by the board regarding which options to select and how to appropriately administer the program. Robinson moved to authorize EEA to operate the irrigation and large power programs to our members and develop a margin for administrative fees, seconded by Mollenkopf. Motion carried.

Strategic Planning Update: Dellinger gave an update on the strategic plan and what staff has accomplished within the plan and what continues to be worked on.

Financials: Johnson reported on Novembers financials. She stated that our MSDC and DSC continue to look good. She explained all the budget variances and discussed those with the board.

Miscellaneous: Dellinger reminded the board that the CFC Equity Management Workshop will be held on Wednesday, February 11th beginning at 9:00 a.m.

Dellinger congratulated Director Barry for receiving his Board Leadership Certificate with NRECA. Since he is absent, we will present him with the certificate next month.

Dellinger mentioned to the board that we no longer have a drop box for payments at our new location. We have had about a dozen member requests for a drop box. We currently don't have any future plans to install a drop box unless the board feels that we should do so. EEA offers several options for members to make their payments other than dropping them off at EEA. If we had a drop box at the location, it would have to be outside of the security gates, which would make it difficult to secure. There is a drop box at City Market that we could utilize if the board would like. Consensus of the board is to not plan in install a drop box but to keep monitoring to see if we continue to get drop box requests from our members.

Director Roundtable: Lindsay mentioned that we need some identification on where our drive up is at the new building. Snyder stated that he is working on that signage as well as getting yield and stop signs installed.

Attorney: Attorney Shay Denning stated that her written report is in the board packet. The board discussed where we are at on the sale of the old property to the City of Cortez. Closing is scheduled for February 2, 2026.

Tri-State: Robinson reported on the Tri-State meeting. Tri-State received the 202c order requiring that they keep the Craig Station open. He explained this order. The New ERA money isn't being considered in their latest long-term financial forecast, but there is still a chance they may get some of it. Xcel is running legislation that would allow them not to join a full RTO. CORE, Guzman and United Power brought a case to the COPUC against Tri-State and Xcel claiming that they were illegally withholding transmission. The PUC refused the case and told the complainants to take their case to FERC. In February, Robinson will be going to Washington DC with the lobbying team.

CREA: Archibeque reported that the next meeting is at the end of the month and it will be a virtual meeting. Tom Walch has come on board as the CREA Executive Director and Kent Singer is now retired.

Western United: Barry is absent, so no report was given. Josh stated that the recent financials are in the packet.

Utah Rural Electric Cooperatives Association: Barry is absent, so no report was given. The URECA board meeting information was in the packet.

Committees:

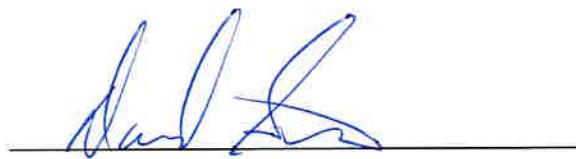
Action Item: The Youth Tour Committee met to select the recipients of the 2026 Washington DC Youth Tour. The recipients selected are Asher Bennetts and Jesstony (Leo) Griffin. Robinson moved to approve the two recipients, seconded by Sparks. Motion carried.

Per request from the Donation Committee, McLaughlin put a list of the ongoing donation recipients that have turned in all the requested information. Below is a list of this month's letters.

- Mancos Public Library
- Pleasant View Fire Protection District
- The Pinon Project Family Resource Center

Executive Session: Robinson moved to go into executive session to discuss the FastTrack update, Tri-State, receive legal advice, and the Key-Staff update, seconded by Archibeque. Motion carried. Went into executive session at 12:33 p.m. Staff were asked to leave at 1:05 p.m. Came out of executive session at 1:31 p.m.

Adjournment: Meeting adjourned at 1:32 p.m.



David Sitton, President



Kent Lindsay, Vice President