

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
MARCH 13, 2026

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, March 13, 2026, with the following directors present: David Sitton, Kent Lindsay, Bob Barry, Larry Archibeque, Bill Mollenkopf, Corey Robinson, and Doug Sparks. Others present: General Manager Josh Dellinger, Executive Secretary / HR Representative Shawna McLaughlin, Operations and Engineering Manager Ken Tarr, Financial Manager Ginny Johnson, Business Services Manager Chris Snyder, Member Engagement Manager Andy Carter, System Engineer Dalton Randolph, and Safety and Loss Coordinator Jules Bitsilly. Appearing by web conference: Attorney Shay Denning.

Others present in person: None.

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: Lindsay moved to approve the consent agenda as presented, seconded by Robinson. Motion carried.

Membership Input: None.

Monthly Safety Report: Dellinger stated that the safety report is in the board packet. Dellinger reported on the personal injury report that occurred when an employee was ejected from the bucket truck causing a serious injury. The investigation related to this injury will be reviewed in executive session because it relates to a personnel matter and will be subject to legal advice. We also had three property damages. When pulling a bucket truck out of the truck bay, the employee didn't realize that the garage door wasn't all the way up and caught the rubber seal on the bottom of the door and did minor damage to the door. We dug into an irrigation line while setting a sectionalizing cabinet. The contractor had a hole dug for us, but it wasn't big enough so we had to widen it and when we did we cut the irrigation line. We repaired the line. The latch was bent when storing the auger on a digger truck due to it not being completely retracted. The latch has been repaired.

Correspondence:

1. NISC Capital Credit Summary
2. Colorado Country Life Recognition for Member Services Manager Andy Carter and Communication Specialist Denise Moore
3. Federated Report from the Board – February 2026
4. Federated Member Update – February 2026

Thank you Letters:

1. Hospice of Montezuma for annual donation
2. Canyon Country Discovery Center for Annual Donation
3. Sammy Lein for Scholarship
4. Four Corners Child Advocacy for Annual Donation
5. Southwest Colorado Canyons Alliance for Annual Donation
6. Children's Kiva Montessori School for the donation to send them to the Powerhouse Discovery Center.

Policy Review/Action:

Policy 4: Withdrawals of Funds from Bank Accounts (02-09-24): Dellinger stated that staff and legal reviewed Policy 4 and there are no edits suggested.

Policy 5: Short Term Investments (02-09-2024): Dellinger mentioned staff and legal reviewed Policy 5 and there are no edits suggested.

General Manager Report:

Action Item: Ratify Changes to NRECA Annual Meeting Voting Delegates: Dellinger mentioned that CREA contacted us to remove Archibeque as our primary delegate to the NRECA annual meeting so that he could be CREA's primary delegate. We obliged and made Sitton, who was the alternate, the primary delegate. Mollenkopf moved to ratify the selection of Sitton as the NRECA Voting Delegate, seconded by Sparks. Motion carried.

Action Item: Select Tri-State Annual Meeting Voting Delegate and Alternate: Dellinger stated that Tri-State's Annual Meeting is scheduled for April 8 – 10 at the Omni Interlocken in Broomfield, CO. We need to select a voting delegate and alternate for this meeting. Archibeque moved to appoint Robinson as the voting delegate and Archibeque as the alternate, seconded by Lindsay. Motion carried.

Action Item: Select Election Judges for the 2026 Annual Meeting: Dellinger explained that it is time to select our Election Judges for the 2026 Annual Meeting. McLaughlin has contacted members that are interested in serving in this position. These members are Elena Prickett, Mark Winkles, Greg South and Nita Reddert as Alternate. Sparks moved to nominate these members as Election Judges, seconded by Robinson. Motion carried.

Action Item: Consider Annual Kinder Morgan (KM) Reconciliation for 2025: Dellinger stated that the Annual KM and Cortez Pipeline (CPC) reconciliations are in the board packet for board consideration. Per our contracts, we charge KM and CPC monthly customer charges intended to produce a TIER of 3.0. We base the customer charge on our annual budget and then true up to actuals at the end of the year. Robinson moved to approve the KM Reconciliation for 2025, seconded by Mollenkopf. Motion carried.

Action Item: Consider the Annual Cortez Pipeline (CPC) Reconciliation for 2025: Lindsay moved to approve the CPC Reconciliation for 2025, seconded by Barry. Motion carried.

Financials: Johnson reported on January financials. She stated that in every category, we are under in kilowatt sales compared to 2025 and explained that difference. She stated that overall revenue is under budget. The Tri-State settlement rate shifted costs from the energy charge to a demand charge and that will likely cause some budget variances throughout the year. Most of the variances are due to timing issues and kilowatt sales. She gave each director a 990 questionnaire for them to complete.

Miscellaneous: Dellinger stated that election candidates can begin picking up petition packets on March 20th. Dellinger reminded the Board that we moved the April meeting to the third Friday which is April 17, 2025 due to the Tri-State Annual meeting being held when we normally hold our monthly board meetings. The cost of service study has been completed, and staff would like to go over it with the board. We would like to have a workshop with the full board. The board decided on Friday, March 20, 2026 at 11:00 a.m. for that workshop.

Director Roundtable: Larry thanked the Scholarship Committee for their work on the scholarships. He also thanked Denise Moore for her work getting them prepared for the committee. The recipients will be approved during April's board meeting.

Sitton attended the NRECA PowerXChange in Nashville, TN. He went to three classes, The Role of the Board Chair in Conducting Effective Meetings, Appraising and Compensating the CEO, and Electric Vehicles: Strategy and Policy Considerations. He spoke about each of these classes and what he learned. The instructor for the class of the role of the board chair made a strong point that the board chairman should not participate in the discussions of the board. The board discussed Sitton's participation and how the meetings could be conducted going forward. Denning stated that we have adopted Roberts Rules as a standard of how we try to run our board meetings. She mentioned that handing over the facilitation of the meeting when Sitton has a topic that he is passionate about could be effective in his participation in the discussion. In the Compensating the CEO class, they recommend the cooperative have a policy on how to compensate the CEO. He is recommending that the board consider a GM / CEO Compensation Committee and develop a more formal process in how they evaluate and compensate our General Manager. Consensus of the board is that they put together a committee of the whole to come up with a policy. The Board directed Dellinger and Denning to contact different resources to get some policy examples that could help them develop this policy. They will schedule a meeting for this committee sometime mid-year. Mollenkopf stated that CFC forum will be in June in Chula Vista, CA. Dellinger stated that it is the same week as our annual meeting.

Attorney: Attorney Shay Denning stated that her written report is in the board packet and took questions. Portions of her report will also be discussed in executive session.

Tri-State: Robinson reported on the Tri-State meeting. He stated that Tri-State's entry into the Southwest Power Pool will be April 1st. The board approved the High Impact Load Tariff (HILT) to be refiled with FERC. They approved several board policies, most formatting changes. He spoke about Policy 515 which is contract execution authority for staff. He believes the dollar amount on this policy needs to be increased to increase efficiency of board meetings. An aluminum smelter was bombed in Bahrain as part of the Iran war and that has constrained conductor production for transmission projects. The Colorado River Energy Distributors Association came out with a report saying that there is 10% chance that Lake Powell will go below the level needed to generate electricity this year. Robinson attended the Washington DC Fly-in. They meet with almost every senator and representative from our service territory. They also met with the USDA. The RUS administrator stated that he had signed off on the New ERA money and it has been sent to the Secretary of Agriculture for approval. He reminded everyone about the Tri-State Annual meeting.

CREA: Archibeque stated that the March's meeting will be next week. He spoke about the NRECA PowerXChange and the slide show that was presented regarding NRECA's lexicon project. He stated that the messaging process for cooperatives is very complex. He stated that our messaging is not always being received by our membership and we need to keep working on our process. He mentioned the CARE task force initiatives that CREA is working on. He stated that the IOU's and the municipalities have access to the politicians that make all the decisions. He stated that cooperatives don't have influence or access to these politicians to be part of the decisions that are being made statewide. Funds need to be raised to give us funding to be part of this decision making within our legislation. This task force that they are establishing will look at how we can get this accomplished.

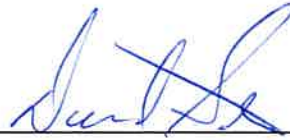
Western United: Barry reported on the Western United meeting. He stated that the sales and financial report is in the packet. Tarr said that some of our orders seem to take a long time for us to receive. We do eventually get the materials but not as quickly as we would prefer. Barry is on the CEO Advisory Committee with Western United.

Utah Rural Electric Cooperatives Association: Barry reported that URECA will be having their March meeting next week and the annual meeting will be in April.

Committees: The Scholarship Committee met on March 3, 2026. The award recipients will be approved in April's board meeting. There will be a rate committee scheduled after the cost of service workshop.

Executive Session: Archibeque moved to go into executive session to receive legal advice, discuss Tri-State, consider the Attorney Service Proposal and discuss the Safety Survey and Accident Review, seconded by Sparks. Safety and Loss Coordinator Jules Bitsilly was invited into executive session for the Safety Survey portion of the session. Motion carried. Went into executive session at 10:29 a.m. Came out of executive session at 12:27 p.m.

Adjournment: Meeting adjourned at 12:28 p.m.



David Sitton, President



Bob Barry, Secretary / Treasurer