

EMPIRE ELECTRIC ASSOCIATION, INC.
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
May 08, 2026

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, May 08, 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, and System Engineer Dalton Randolph. Appearing by web conference: Attorney Shay Denning.

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

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

Approve Consent Agenda:

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

Membership Input: None

Monthly Safety Report: Dellinger stated that the safety report is in the board packet. He mentioned that we had two property damages and no personal injuries. The property damages were Truck 75 was being loaded with a 3-phase vault and cabinet and the cabinet slid into the rear window of the truck causing the window to need replacement. Truck 106 was being backed into the garage by an employee, the jib was in a vertical position, and it hit the top of the garage door. Dellinger reminded the board of our Stand Down for Safety Event on June 4th beginning at 8:00 a.m. and all board members are invited to attend.

Correspondence:

1. CFC Integrity Fund
2. CoBank's vote to change their bylaws failed

Thank you Letters:

1. Reaching out to Community and Kids (ROCK) for annual donation
2. Montezuma County Sheriff Department

Policy Review/Action:

Action Item: Policy 9: New Director Orientation (04-12-24): Dellinger stated that staff and legal reviewed Policy 9 and the suggested edits are to remove FastTrack from the list of significant business relationships and add a statement noting that provisions of our articles of incorporation and bylaws related to director duties will be reviewed during a meeting with legal counsel. Mollenkopf moved to approve Policy 9 with suggested edits, seconded by Robinson. Motion carried.

Policy 10: Board of Directors – General Manager Relationship (04-12-2024): Dellinger mentioned staff and legal reviewed Policy 10 and there were a handful of minor edits suggested. Discussion was had on the grievance policy when the board is contacted by an employee. Sitton would like to add more clarity to this paragraph. Denning suggested some different wording to section II.C.6. Sitton also mentioned that we may need to address the

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manager having a succession plan within this policy. Denning stated that this would be part of Policy 11, she will review that policy with his suggestion in mind. Lindsay moved to approve Policy 10 with the suggested edits, seconded by Barry. Motion carried.

General Manager Report:

Action Item: Select CFC Voting Delegate: Dellinger explained that the CFC Forum and Annual Meeting are scheduled for June 15 – 17 in Chula Vista, CA. We may select a delegate to represent EEA at the annual meeting. There are no elections or bylaws to vote on, so it appears that the only business to be transacted will be approval of last year's minutes. Mollenkopf stated that he will be attending this meeting. Robinson moved to select Mollenkopf as EEA's voting delegate, seconded by Lindsay. Motion carried.

Review Form 990: Dellinger stated that the annual IRS Form 990 is in the board packet and Johnson reviewed it with the board.

Financials: Johnson reported on March's financials. She went over the number of services compared to last month and explained why there is a difference. Distribution equity remains very strong, and we continue to be financially healthy.

Miscellaneous: None

Director Roundtable: None

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 financials continue to be impacted by the weather. They approved a few contracts for Eastern Colorado transmission investments. They received a WAPA CRSP report regarding water and other issues. They discussed excess property that Tri-State owns and what they should do with it. No decisions were made at this time. They received a presentation from Midwest Electric regarding hydro power in the Missouri Basin. They also received a presentation on how they can monetize some of their firm transmission rights in SPP. The Tri-State board approved amendments to the staff retirement plans.

CREA: Archibeque reported on CREA's meeting. He mentioned that they are considering resolutions for NRECA's annual resolutions process. He stated that they are looking at restructuring the Safety and Loss Program. He spoke about the value that CREA brings to the member cooperatives and discussed efforts from the current legislative session. CREA endorsed Michael Bennet for Governor of Colorado. A discussion was had regarding the bill that passed regarding meter collars. The next meeting will be held in Meeker at the end of the month.

Western United: Barry reported on the Western United meeting. He stated that they continue to grow especially in Kansas and New Mexico.

Utah Rural Electric Cooperatives Association: Barry reported that he did not attend the URECA meeting.

Committees: Mollenkopf stated that the Rate Committee meet after the board meeting last month and will meet again after today's meeting. They came up with recommendations that they will discuss in this afternoon's meeting.


Audit Report Presentation by Phil Tippetts, Senior Staff Auditor with Decoria & Company PC.: Tippetts discussed the report with the Board of Directors. He stated that there is nothing new within the financial reports. He

stated that there were zero concerns. He complimented the accounting staff and their abilities. He stated that Johnson is well prepared and very professional. His one recommendation is that the board continues to remain involved and be aware of what is going on with the cooperative. Johnson explained that there was one audit adjustment involving long term debt. She explained that adjustment and what they will be doing to fix this discrepancy in the future.

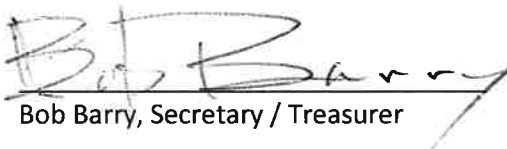
Executive Session: Mollenkopf moved to go into executive session to discuss the audit report with the auditor, receive legal advice, discuss Tri-State, and receive an update on BYOR, seconded by Robinson. Motion carried. Went into executive session at 10:47 a.m. Staff were asked to leave at 10:47 for audit discussion. Staff were asked to come back at 11:03 a.m. Lindsay removed himself from the BYOR conversation due to a potential conflict of interest. Came out of executive session at 12:20 p.m.

Action Item: Consider Approving the Annual Audit Report: Robinson moved to approve the annual audit report as presented, seconded by Archibeque. Motion carried.

Adjournment: Meeting adjourned at 12:20 p.m.



David Sitton, President



Bob Barry, Secretary / Treasurer