

EMPIRE ELECTRIC ASSOCIATION, INC.  
MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
October 10, 2025

Regular meeting of the Board of Directors of Empire Electric Association, Inc. was held Friday, October 10, 2025, with the following directors present: David Sitton, Kent Lindsay, Bob Barry, Larry Archibeque, and Bill Mollenkopf. Others present: General Manager Josh Dellinger, Executive Secretary / HR Representative Shawna McLaughlin, Financial Manager Ginny Johnson, Operations and Engineering Manager Ken Tarr, Business Services Manager Chris Snyder, Member Engagement Manager Andy Carter, and System Engineer Dalton Randolph. Appearing by web conference: Directors Corey Robinson and Doug Sparks and Attorney Zachary Al-Tabbaa. Absent is Attorney Shay Denning.

Others present in person: Member Norman Butler

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:** Mollenkopf moved to approve the consent agenda as presented, seconded by Barry. Motion carried.

Membership Input: None.

Monthly Safety Report: Dellinger stated that the safety report is in the board packet. We had no personal injuries or property damages in September. The annual safety luncheon was last month, and Dellinger thanked the Directors for attending.

Correspondence:

1. Western United Patronage Refund
2. Federated Member Update – September 2025
3. CRC Report from the Board

Thank you letters:

1. Dolores County 4-H Livestock Program for the annual donation
2. Students Tackling Unhealthy Decisions for the annual donation
3. Silas Herrmann for purchasing his steer Batman at the Montezuma County Livestock Auction

Policy Review/Action:

**Action Item:** Policy 51: Information Disclosure (10-13-23): Dellinger stated staff and legal reviewed and a few edits are suggested. Language was added to limit the monthly financial reports we will provide for those months between the last audit and the current month. Barry moved to approve Policy 51 as amended, seconded by Lindsay. Motion carried.

**Action Item:** Policy 52: Regulation Governing Complaints (10-13-2023): Dellinger stated that staff and legal reviewed and there was some small grammar edits suggested. Mollenkopf moved to approve Policy 52 as amended, seconded by Archibeque. Motion carried.

General Manager Report:

**Action Item:** Consider Wildfire Protection Plan Annual Report: Dellinger mentioned that System Engineer Dalton Randolph developed our Utah Wildland Fire Protection Plan annual report and it is included in the packet for board review. If the board approves the report, it will be filed with the Utah Public Service Commission as required by Utah State Code 54-24-203. Randolph reviewed the report. Mollenkopf moved to approve the Wildfire Protection Plan annual report as presented, seconded by Barry. Motion carried.

**Action Item:** Consider 2026 Pole Attachment Rate: Dellinger stated that Finance Manager Ginny Johnson has completed an annual review of our pole attachment rate, and her calculations are in the packet for board review. In the past years we have used the FCC formula to determine the attacher's responsibility for our carrying charges and then add in direct pole attachment expenses. For this year, we did the calculation the way we have in the past and we also added an 8% rate of return on the carrying charges. We earn a rate of return from our members on our electric rates, so it seems reasonable to also earn a rate of return on our pole attachment rates. Without the rate of return, we are basically just recovering our costs. Our current rate is \$22 per pole per year. The new rate using the formula without a rate of return would be \$25.57; the new rate using an 8% rate of return would be \$27.59. Archibeque moved to approve a pole attachment rate of \$27.59 for 2026, seconded by Sparks. Motion carried. A discussion was had on some of the issues that we have been dealing with on joint use, such as attachers hanging attachments low and not notifying landowners. Attorney Al-Taabba suggested that we have Attorney Denning review the joint use contract.

**Action Item:** Consider the 2026 CoBank Sharing Success Applications: Dellinger explained that the CoBank Sharing Success Program moved their opening date to January 6, 2026, for applications to be submitted for matching grants for four of our local nonprofit organizations. During the donation committee meeting held on September 30, 2025, the board agreed to submit applications for Four Corner's Child Advocacy, Hospice of Montezuma, The Salvation Army and The Montezuma County Senior Center. The board needs to ratify this decision during this meeting. Lindsay moved to ratify the selection of Four Corner's Child Advocacy, Hospice of Montezuma, The Salvation Army, and the Montezuma County Senior Center as the applicants for the 2026 CoBank Sharing Success Program, seconded by Barry. Motion carried.

Review of the 2026 Draft Budget: Dellinger explained that Johnson has prepared our draft 2026 budget for board review. Staff have done a great job developing a budget that meets our operational needs without requiring any rate increases. Johnson went over the budget with the board and asked for any feedback. There was discussion about how we are accounting for the new building. We have been planning to pay for it immediately with extraordinary revenue as previously discussed, which results in no rate pressure and no depreciation to account for. The board asked if there was any benefit to depreciating the building over time and using the extraordinary revenue to offset the depreciation each year. Johnson will do an analysis and report back on the pros and cons of each option. The final budget will be presented for approval in November and there will be no request for a rate increase in 2026. Johnson also went over the 2026 revenue requirements.

Strategic Planning Update: Dellinger discussed some of the highlights of what staff has been working on regarding strategic planning goals.

Financials: Johnson reported on August's financials. She went over the budget variances of each line item. We continue to be within loan covenants and financial goals.

Miscellaneous: Dellinger mentioned that Tri-State did an end user survey a couple of months ago. We received a strong response from our members. The question that EEA added to the survey was regarding the use of SB 107

to allow broadband suppliers to use our easements. Out of the respondents, 58% of our members were in favor of using SB 107 to increase broadband availability.

We have had some discussions with companies about micro data centers. Some of these hyper scale data centers can be problematic because the power supply requirements are measured in megawatts. Some people are looking at micro data centers, which are easier to connect due to their smaller size.

Bob Barry earned his Credential Cooperative Director Certificate from NRECA.

Director Roundtable: Archibeque mentioned that he has put together a rubric for evaluating scholarships and he has also put together a format on when scholarships are due and when they need to be reviewed. He would like to find a date and time for the scholarship committee to meet to go over these updates and review the scholarship policy. The Scholarship Committee decided to meet on November 13, 2025, at 9:00 a.m.

Mollenkopf asked about White River Electric and how they are coping with the damages caused by the fires. Dellinger stated that they are likely applying for FEMA assistance. Archibeque mentioned that they had to replace 350 poles and several miles of line.

Sitton mentioned that he and Dellinger spoke yesterday about power factor. He has asked that Dellinger and Staff put together a presentation about power factor for the board. Dellinger stated that he and staff will get some information together to present to the board.

Lindsay stated that he went to the Veteran's Stand Down Event which EEA sponsors and he said it was a wonderful event.

Attorney: Attorney Zachary Al-Tabbaa is appearing on behalf of Attorney Denning. He mentioned that Attorney Denning's report is in the board packet.

Tri-State: Robinson had to leave the meeting early, but he forwarded his report by email to the board along with the Tri-State Board minutes. Dellinger went over his report. They are still investigating several options for a new campus, but purchasing the Interlocken property currently seems to be the best option. Tri-State will be having regional meetings again this year. Last year they had one in Dolores. Dellinger forwarded an email with information about the upcoming regional meetings and noted that Tri-State asked for RSVPs.

CREA: Archibeque reported on the CREA meeting and the NRECA Region 7 meeting in Bellevue, WA. Tom Walsh will be the new CREA Director. He will do an onboard meeting with the executive committee soon. Jim Mattheson with NRECA spoke about the importance of keeping some coal power plants open due to the expected increase in energy demands across the nation. Archibeque attended a class called Providing Feedback to your CEO. He was provided with a template to do CEO evaluations. Sitton asked Executive Secretary Shawna McLaughlin to see if we can get a digital copy of that template.

Western United: Barry stated that there was not a Western United meeting, so there is no report.

Utah Rural Electric Cooperatives Association: Barry reported on the URECA meeting. He spoke about redistricting in Utah. They had a representative talk about Medicare and Pharmaceutical increases. The next meeting will be held in St. George next week.

Committees: During the recent Donations Committee meeting, the board members asked for a letter to be sent to our ongoing donation recipients asking for updated financials and a statement of what the EEA donations monies are being used for. Executive Secretary Shawna McLaughlin drafted a sample letter for this purpose and reviewed it with the board. Direction from board is to go ahead with this letter.

The Building Committee will be meeting after the board meeting finishes today to get updates on the new HQ building.

Executive Session: Archibeque moved to go into executive session to discuss a Member Metering / Billing Error, Tri-State, and receive legal advice, seconded by Barry. Motion carried. Went into executive session at 12:08 p.m. Came out of executive session at 1:08 p.m.

Adjournment: Meeting adjourned at 1:08 p.m.



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David Sitton, President



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Bob Barry, Secretary / Treasurer