

**MEETING MINUTES  
BOARD OF DIRECTORS  
Regular Meeting  
October 21, 2021**

A regular meeting of the Board of Directors (“Board”) of The Intermountain Rural Electric Association d/b/a CORE Electric Cooperative (“CORE”) was called to order at CORE’s offices, located at 5496 N. U.S. Highway 85 in Sedalia, Colorado, at 9:31 a.m. on October 21, 2021.

The following Directors were present in person: Tim White, Bruff Shea, Mike Kempe, Jim Anest, Mike Sperry, and Ron Kilgore. Director Bob Graf attended remotely. A quorum was deemed present. CEO Jeff Baudier and CORE staff also were present.

**1. Agenda Approval**

Mr. White noted three amendments to the agenda: (1) remove item number 5.3, BR21-19 Increase to Credit Limit, as it does not require a resolution due to previous authorization under BR18-19; (2) move item number 6, Audit Committee Report, to after item number 3; and (3) move item number 9, CEO Report, to executive session. Upon motion by Mr. Shea, seconded by Mr. Anest, the Board unanimously approved the agenda, amended as noted.

**2. Public Comment**

There was no public comment, as no member appeared to address the Board.

**3. Approval of Minutes of September 16, 2021, Regular Meeting**

Upon motion by Mr. Graf, seconded by Mr. Kilgore, the Board unanimously approved the minutes of the September 16, 2021, regular meeting, as presented.

**4. Audit Committee Report**

Mr. Graf reported that the Audit Committee held its regular quarterly meeting on October 20, 2021. Present were Directors and Committee members Bruff Shea, Jim Anest, and

Bob Graf. A quorum was deemed present. Also present were Jeff Baudier, Chief Executive Officer; Joan Beckner, Chief Legal Officer; Dede Jones, Chief Financial Officer; and Karen Sauls, Secretary.

The Committee reviewed Board Policy No. 102 to ensure that the Committee was meeting the compliance requirements. The Committee has set a tentative meeting date in November with the independent auditors, Moss Adams, to review the scope of engagement and other routine items. The Internal Auditor position remains open, and staff anticipates the position will be filled within the next three to six months. The Committee discussed staffing changes within the HR department and remedied issues.

The Committee had a long discussion with Dede Jones and her team regarding their extensive review of the RFPs for a new banking relationship. The Committee unanimously supports and endorses Ms. Jones' recommendation of the banking relationship that is being proposed to the Board today.

Mr. Graf requested that the quarterly compliance memorandum to the Board prepared by CORE's CFO, Ms. Jones, be attached to the minutes of this meeting.

## **5. Approval of Write-Offs**

Mr. Graf requested and received information regarding one of the write-off amounts. Upon motion by Mr. Kilgore, seconded by Mr. Shea, the Board unanimously approved the August write-offs of \$51,237.

## **6. Approval of Resolutions**

### **6.1 BR21-17: Change of Depository Institution**

Mr. Baudier presented Board Resolution BR21-17, which authorizes CORE to change its depository institution and authorizes the Chief Executive Officer or his designee to execute such contracts as may be necessary. Mr. Kempe requested and received information regarding the change in institutions. Upon motion by Mr. Shea, seconded by Mr. Anest, the Board unanimously adopted the following resolution:

BOARD RESOLUTION BR21-17

**WHEREAS:**

The Intermountain Rural Electric Association d/b/a CORE Electric Cooperative (“CORE”) currently receives treasury management and banking services (“Services”) from Wells Fargo Bank as the depository of CORE’s funds;

CORE’s Chief Executive Officer (CEO) and Chief Financial Officer (CFO) launched a competitive bid process via requests for proposal (RFPs) to ensure that CORE and its members receive effective Services from a dedicated relationship team at economic prices;

CORE staff established selection criteria prior to evaluating respondents’ proposals and evaluated respondents’ proposals in accordance with such established selection criteria;

Based on this evaluation, CORE staff recommend to the CEO and CFO that CORE change its depository institution for the Services from Wells Fargo to KeyBank;

Board Policy 108.II.A.8 requires the Board of Directors to approve the selection of a bank to serve as a depository of CORE funds; and

The Board of Directors has determined that selecting KeyBank as the depository of CORE funds is in the best interest of CORE and its members.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors hereby approves the selection of KeyBank to serve as a depository of CORE funds and as the provider of the Services, authorizes CORE to change its depository institution from Wells Fargo to KeyBank, and authorizes the Chief Executive Officer or his designee to execute such contracts as may be necessary in connection therewith.

**6.2 BR21-18: Elizabeth Substation Power Control Assembly Purchase**

Mr. Baudier presented Board Resolution BR21-18, which awards an Equipment Contract to Powell Electrical Systems, Inc. for the Elizabeth Substation Upgrade power control

assembly and authorizes the Chief Executive Officer or his designee to execute such contracts as may be necessary. Mr. Sperry requested and received information regarding the project bids. Upon motion by Mr. Shea, seconded by Mr. Sperry, the Board unanimously adopted the following resolution:

BOARD RESOLUTION BR21-18

**WHEREAS:**

The Intermountain Rural Electric Association d/b/a CORE Electric Cooperative (“CORE”) intends to construct the Elizabeth Substation Upgrade in 2022 for the purpose of serving growing demand in Elbert County, Colorado, and, in connection therewith, will construct a power control assembly (“PCA”), a prefabricated steel structure with arc-resistant breakers to house the switchgear, relay panels, controls and communications equipment for the substation;

CORE has determined that Powell Electrical Systems, Inc. (“Powell”), which manufactures PCAs for CORE’s system, is the only manufacturer that meets CORE’s requirements;

CORE has solicited and received a bid proposal from Powell for the PCA for the Elizabeth Substation Upgrade PCA in the amount of \$2,478,869.00, which is \$107,356.00 higher than the pricing for the Franktown Substation PCA purchased from Powell in January 2021;

CORE’s engineering staff and outside consultant have reviewed Powell’s bid and have determined that the bid meets all technical requirements as well as the required delivery schedules;

CORE’s engineering staff recommends that CORE award an Equipment Contract to Powell for the Elizabeth Substation Upgrade PCA; and

The Board of Directors has determined that such recommendation is in the best interests of CORE and its members.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors authorizes CORE to award an Equipment Contract to Powell Electrical Systems, Inc. for the Elizabeth Substation Upgrade power control assembly in the amount of Two Million Four Hundred Seventy-Eight Thousand Eight Hundred Sixty-Nine Dollars (\$2,478,869.00) and such additional amounts as may be reasonably necessary, if any, to facilitate such purchase and installation of that facility, and authorizes the Chief Executive Officer or his designee to execute such contracts as may be necessary in connection therewith.

## **7. Special Presentation: 2022 Draft Construction Budget**

Ms. Feuerstein reviewed the construction budget items in the 2022 proposed budget. Discussion ensued. No Board action is required at this time. The final 2022 Budget will be on the agenda for approval at the December 16 Board meeting.

## **8. Quarterly Staff Presentations**

### **8.1 Finance**

Ms. Jones reviewed with the Board CORE's quarterly financial results, the 2021 forecast, and gave a status update on goals.

In September, kWh sales were up 6% from the previous year and up about 4.6% on a year-to-date basis from the prior year due to weather and growth. The adjusted forecasted year-end margin is about \$17.5 million and on budget.

### **8.2 Operations and Engineering**

Ms. Feuerstein updated the Board on CORE's power supply for the month of September. Discussion followed.

- Comanche Unit 3: CORE capacity factor was 80%.
- Pioneer Solar: capacity factor was 36%.
- Victory Solar: capacity factor was 32%.

There were 198 net meter applications in September and 106 net meters set. Demand was down slightly, and energy was up, primarily due to growth, in September. System growth remains high, and it is anticipated that there will be over 4,000 meters set by the

end of the year. There are about 8,000 total services in process, with 3,500 in design, 3,500 in construction, and the rest in contracting. Ms. Feuerstein noted that about 1,000 of those services in construction were released for construction, but the developers' sites are not ready. Discussion followed.

Ms. Feuerstein reviewed reliability EIA data for Colorado, noting that CORE's reliability is one of the best in Colorado, and discussed outages for the third quarter of 2021. She noted that 37% of outage hours were caused by the general public, such as motor vehicle accidents, knocking out lines and transformers, digging into cable, etc., and 33% of outage hours were related to equipment failures.

Ms. Feuerstein gave an update on the wildfire initiative. CORE has partnered with an environmental monitoring solutions company to assist with monitoring areas prone to wildfires. Discussion followed.

Ms. Feuerstein reviewed third-quarter vegetation management data and noted that the cycle is on track. Due to staffing issues with the contractor, the remaining work in the Bennett district will be completed in the first quarter of 2022.

CORE is actively looking for a new Environmental, Health, and Safety Director. Ms. Feuerstein reviewed third-quarter safety data.

Ms. Feuerstein reported that CORE staff met with Parker Police representatives to discuss communication guidelines.

Ms. Feuerstein discussed the preliminary results of the recent WECC Compliance Audit.

### **8.3 Corporate Services**

Ms. Solano updated the Board on the progress of the NISC project and announced the go-live dates of the project. The new Information Technology Director started last Monday and will be joining the NISC project team. Discussion followed.

Ms. Solano reviewed third quarter IT support, cyber and risk, and personnel statistics, and Facilities and Fleet activities. Discussion followed.

#### **8.4 Community Relations**

Ms. Leshar reviewed member payments and delinquent customer data.

In September, the call center dipped below the service level goal. The call center is adequately staffed; however, the call center was down approximately eight representatives during that time for various reasons and a combination of factors. The call center is looking to add two full-time overflow representatives. Ms. Leshar also noted that once NISC is live, members will be able to start and stop their service, which should cut down on member calls to the call center.

Ms. Leshar reviewed data on member feedback on recent company changes and reviewed the remaining rebranding items with the Board. She updated the Board on CORE's EV infrastructure plan. Discussion followed.

#### **8.5 Legal**

Mr. Baudier introduced CORE's new Chief Legal Officer, Joan Beckner, to the Board.

Ms. Beckner shared with the Board her vision for CORE's Legal Services function, activities during her first few weeks at CORE, and strategic plan and priorities for the next 30 days and beyond.

### **9. CREA Report**

Mr. White summarized the October CREA Board meeting. Discussions at that meeting included Colorado congressional redistricting, an update on the 2022 Youth Tour and Youth Camp programs, and the Budget and Finance Committee's recommended approval of the proposed CREA 2022 budget, which includes a 6% increase in expenses and dues. Discussion followed.

### **10. Director Updates**

Mr. Graf stated that his district had a very successful Town Hall meeting. He commended the executive staff on their reports for today's meeting. Mr. Graf asked Mr. Baudier for an update regarding his meeting with CREA. Discussion followed.

Mr. Baudier would like to plan a strategic planning retreat for the Board in February or March of 2022.

#### **11. Executive Session**

Mr. White called for an executive session to review the CEO Report and to discuss Confidential Legal Matters. Upon motion by Mr. Anest, seconded by Mr. Kempe and carried unanimously, the Board of Directors approved an executive session. The Board convened in executive session with Mr. Baudier, Ms. Beckner, and other executive staff.

There being no further business to discuss, President Tim White adjourned the meeting.

The next regular meeting will be held on November 18, 2021.