

**MEETING MINUTES
BOARD OF DIRECTORS
Regular Meeting
March 17, 2022**

A regular meeting of the Board of Directors (“Board”) of CORE Electric Cooperative (“CORE”) was called to order at CORE’s offices, located at 5496 N. U.S. Highway 85 in Sedalia, Colorado, at 9:30 a.m. on March 17, 2022.

The following Directors were present in person: Tim White, Jim Anest, Mike Sperry, Bruff Shea, Mike Kempe, Ron Kilgore, and Bob Graf. A quorum was deemed present. CEO Jeff Baudier and CORE staff also were present. President Tim White called the meeting to order and presided.

1. Agenda Approval

Mr. Kempe requested amending the agenda to add an item, Executive Compensation, to be discussed after Executive Session. Upon motion by Mr. Kempe, seconded by Mr. Graf, the Board unanimously approved the proposed 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 February 17, 2022, Regular Meeting

Upon motion by Mr. Sperry, seconded by Mr. Anest, the Board unanimously approved the minutes of the February 17, 2022, regular meeting, as presented.

4. Approval of Write-Offs

Upon motion by Mr. Anest, seconded by Mr. Graf, the Board unanimously approved February write-offs in the amount of \$50,600.00.

5. Approval of Resolutions

5.1 BR22-4: Freeze and Amendment of Fully Insured Non-Union Pension Plan

Ms. Solano and Ms. Jones presented a special presentation and answered questions regarding Board Resolution BR22-4, which authorizes CORE to freeze and amend the current, fully insured Non-Union Pension Plan. Discussion followed. Upon motion by Mr. Sperry, seconded by Mr. Kempe, the Board unanimously adopted the following resolution:

BOARD RESOLUTION BR22-4

WHEREAS,

The Board of Directors ("Board") of CORE Electric Cooperative ("CORE") has adopted and currently maintains CORE's Fully Insured (Non-Union) Defined Benefit Plan (the "Securian Plan"), an insured qualified defined benefit retirement plan, for the benefit of the non-unionized employees of CORE;

The Board has authorized and directed that the CORE Investment Committee (the "Committee") review the benefits that are currently being provided to CORE's non-unionized employees under the Securian Plan, as well as the attendant costs to CORE of providing such benefits, and to advise the Board as to whether such plan continues to best satisfy the needs and objectives of CORE and its non-unionized employees;

In connection with such review, the Committee engaged USI Consulting Group ("USI") to assist the Committee in identifying and comparing alternative qualified retirement plan designs to the current Securian Plan;

After diligent review, the Committee has advised the Board that, in the Committee's opinion, it would be in the best interest of CORE and its non-unionized employees to cease the accrual of additional benefits under the Securian Plan, and to adopt and implement a new qualified retirement plan for the benefit of CORE's non-unionized employees in accordance with the USI Plan Design;

Upon the advice of the Committee, the Board has determined that it is in the best interest of CORE and its non-unionized employees to cease the accrual of additional benefits for participants covered under the Securian Plan, effective May 15, 2022, and to advise the active participants in the Securian Plan of such cessation in accordance with the provisions of Section 204(h) of the Employee Retirement Income Security Act of 1974 ("ERISA"); and

The Board wishes to delegate discretionary authority to CORE's Chief Executive Officer (or designee) to take whatever other actions are necessary, by or on behalf of CORE, in order to implement the aforesaid cessation of benefit accruals under the Securian Plan, effective May 15, 2022.

NOW, THEREFORE, BE IT RESOLVED, that:

1. Effective May 15, 2022, benefit accruals under the Securian Plan shall cease, and the benefits of each participant currently covered under the Securian Plan shall be calculated and determined solely with respect to service performed and compensation earned on or before May 15, 2022;
2. Section 12(a) and Section 12(a)(3), respectively, of the Securian Plan adoption agreement shall be, and hereby are, amended to reflect the cessation of benefit accruals for all plan participants under such plan, effective May 15, 2022;
3. Section 13(b)(6) of the Securian Plan adoption agreement shall be, and hereby is, amended to exclude any employees who did not have an accrued benefit under such plan as of May 15, 2022, from participating in the plan;
4. Section 18(e) and Section 18(e)(9), respectively, of the Securian Plan adoption agreement shall be, and hereby are, amended to exclude any compensation earned by plan participants after May 15, 2022;
5. Appropriate replacement pages reflecting the amendments described in items 2-4 above shall be prepared and appended to the aforesaid Securian Plan adoption agreement;
6. The active participants covered under the Securian Plan as of May 15, 2022, shall be notified of the cessation of benefit accruals under the Securian Plan in accordance with the provisions of ERISA Section 204(h);

7. CORE shall continue to administer the Securian Plan with respect to benefits accrued by participants on or before May 15, 2022, in accordance with the relevant provisions of such plan, as amended to reflect the cessation of benefit accruals herein, until such time as the Board shall determine that such plan should be terminated in accordance with applicable law; and
8. The Chief Executive Officer (or designee, if applicable) is hereby authorized and directed to execute, certify, deliver, and file all such further certificates, instruments, amendments, and documents, in the name of, and on behalf of CORE, and to do all such further acts and things as they shall in their discretion deem necessary, advisable, proper, or convenient to carry out the purposes and intent of the foregoing.

5.2 BR22-5: Authorization to Execute New USI Non-Union Pension Plan

Ms. Solano and Ms. Jones made a special presentation regarding the execution of a new Non-Union Pension Plan with USI. Discussion followed. Upon motion by Mr. Sperry, seconded by Mr. Kempe, the Board unanimously adopted the following resolution:

BOARD RESOLUTION BR22-5

WHEREAS,

The Board of Directors ("Board") of CORE Electric Cooperative ("CORE") has adopted and currently maintains CORE's Fully Insured (Non-Union) Defined Benefit Plan (the "Securian Plan"), an insured qualified defined benefit retirement plan for the benefit of the non-unionized employees of CORE;

The Board has authorized and directed that the CORE Investment Committee (the "Committee") review the benefits that are currently being provided to its non-unionized employees under the Securian Plan, as well as the attendant costs to CORE of providing such benefits, and to advise the Board as to whether such plan continues to best satisfy the needs and objectives of CORE and its non-unionized employees, or whether an alternative qualified retirement plan design would better satisfy such needs and objectives;

In connection with such review, the Committee engaged USI Consulting Group ("USI") to assist the Committee in identifying and comparing alternative qualified retirement plan designs to the current Securian Plan;

The Committee has reviewed and discussed with the Board the costs and benefits of the Securian Plan as compared to an alternative variable annuity type qualified defined benefit retirement plan design prepared by USI (the "USI Plan Design");

After diligent review, the Committee has advised the Board that in the Committee's opinion it would be in the best interest of CORE and its non-unionized employees to cease the accrual of additional benefits under the Securian Plan, and to adopt and implement a new qualified retirement plan for the benefit of CORE's non-unionized employees in accordance with the USI Plan Design;

Upon the advice of the Committee, the Board has further determined that is in the best interest of CORE and its non-unionized employees to adopt and implement a new qualified retirement plan in accordance with the USI Plan Design for the benefit of both non-unionized employees who currently participate in the Securian Plan and any non-unionized employees hired by CORE in the future; and

The Board wishes to delegate discretionary authority to CORE's Chief Executive Officer (or designee) to take whatever other actions are necessary, by or on behalf of CORE, in order to adopt and implement a new qualified retirement plan based on the USI Plan Design, effective January 1, 2022.

NOW, THEREFORE, BE IT RESOLVED that:

The Board of Directors of CORE Electric Cooperative hereby adopts a new qualified retirement plan, effective January 1, 2022, for the benefit of the current participants in the Securian Plan and non-unionized employees hired in the future in accordance with the USI Plan Design;

The administrative and other provisions of such new qualified retirement plan shall be determined at the discretion of the Chief Executive Officer of CORE, with the

advice and assistance of the Committee; and

The Chief Executive Officer (or designee, if applicable) is hereby authorized and directed to execute, certify, deliver, and file all such further certificates, instruments, amendments, and documents, in the name of, and on behalf of CORE, and to do all such further acts and things as they shall in their discretion deem necessary, advisable, proper, or convenient to carry out the purposes and intent of the foregoing.

5.4 BR22-6: Land Purchase for Conifer Office and New Substation

Ms. Solano made a special presentation regarding a land purchase for the Conifer Office and a new Substation. Discussion followed. Ms. Feuerstein also answered questions from the Board. Upon motion by Mr. Kempe, seconded by Mr. Kilgore, the Board unanimously adopted the following resolution:

BOARD RESOLUTION BR22-6

WHEREAS,

The Board of Directors of CORE Electric Cooperative (“CORE”) has authorized the Chief Executive Officer (CEO) and/or the CEO’s delegates (if/as appropriate) to negotiate contracts for the acquisition of interests in real estate for use by CORE in connection with its business activities;

The CEO and CORE staff recommend purchase of real estate for the purpose of a new office, warehouse, and substation facilities in the vicinity of the current Conifer Office;

The CEO and CORE staff recommend that CORE enter into a Contract to Buy and Sell Real Estate to purchase a thirty-five (35) acre parcel, located at 13929 Wandcrest Park Road, Bailey, CO 80421, for a price not to exceed One Million Four Hundred Thousand Dollars (\$1,400,000); and

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

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby authorizes CORE's Chief Executive Officer to purchase the 35-acre parcel at 13929 Wandcrest Park Road, Bailey, CO 80421, for a price not to exceed One Million Four Hundred Thousand Dollars (\$1,400,000), and further to execute on behalf of CORE any documents necessary to effectuate such conveyance.

5.6 BR22-7: Amendments to Bylaws

Ms. Leshner and Ms. Beckner made a special presentation regarding amendments to CORE's Bylaws. Discussion followed. Mr. Anest proposed amending the resolution to remove **Article XII (MERGER), Section 2 (Member Approval):**

To conform to requirements of C.R.S. § 7-55-112, change the required membership vote for deciding a plan of merger from "a majority of the Members voting" to "a two-thirds (2/3) affirmative majority vote of the Members present and voting in person at any regular or special meeting at which prior notice, with mail ballot attached, had been mailed to each Member stating the plan of merger.

Upon motion by Mr. Graf, seconded by Mr. Kilgore, the Board unanimously adopted the following resolution, amended as noted:

BOARD RESOLUTION BR22-7

WHEREAS, the Board of Directors of CORE Electric Cooperative ("CORE") has been presented with proposed amendments to CORE's Bylaws in redlined and final forms (Board Documents BD22-2 and BD22-3, respectively) and a summary of same (Board Document BD22-4);

WHEREAS, it is proposed that the Bylaws be amended to:

1. **Passim:** Update company name from "The Intermountain Rural Electric Association" to "CORE Electric Cooperative" and references from "the Association" to "the Cooperative."
2. **Article III (MEMBERSHIP), Section 2 (Joint Membership):**
 - Clarify that membership transfer due to death of spouse (subsection k) and joint membership termination due to dissolution of marriage

(subsection I) shall occur “upon receipt of notice” to CORE of same; and

- To avoid accumulation of unassigned Capital Credits upon dissolution of marriage, add time limit for notifying CORE of an unequal (non-default) distribution – specifically, any joint Capital Credits will be divided equally unless a binding agreement or court order stipulating otherwise is provided to CORE “within ten (10) business days of the notice to [CORE] of the dissolution of marriage.”

3. Article III (MEMBERSHIP), Section 3 (Membership Fee and Certificate):

In view of CORE’s current rates structure in which no membership fee is charged, insert “If the Board determines that a membership fee shall be charged,” before setting forth how/when charged if applicable.

4. Article IV (MEETINGS OF THE MEMBERS), Sections 5 (Quorum), 8 (Voting), and 11 (NEW – Authorization to Participate Electronically):

Incorporate new language available under C.R.S. § 40-9.5-109.7(1)-(3) (2021) allowing for electronic voting to:

- authorize CORE to establish a secure and verifiable electronic transmission system through which a Member may apply for, receive, and return a ballot (Section 11);
- authorize Members to vote electronically in an election on any matter requiring a vote of the membership after establishment of a secure and verifiable electronic transmission system (Sections 11 and 8); and
- amend the term “present in person” for the purpose of determining a quorum (Section 5).

5. Article V (BOARD OF DIRECTORS), Section 8 (Election of Directors):

Consistent with amendments to Article IV above, clarify that:

- Members may vote by electronic means using a secure and verifiable electronic transmission system established by the Cooperative;

- if there is a contested director election, the ballot package mailed to each eligible Member will include instructions for applying for an electronic ballot if desired; and
- receipt and counting of ballots will include all ballots voted electronically in addition to all ballots voted by mail.

WHEREAS, Amendments to the Bylaws are effective when adopted by the affirmative vote of two-thirds (2/3) of the Directors seated at any meeting of the Board, with notice of the amended Bylaws to be sent to each Member within a reasonable time thereafter and copies of the amendment to be posted on the CORE website and made available to Members at each CORE office; and

WHEREAS, the Board of Directors finds that the amendments set forth in Board Documents BD22-2 (redlined) and BD22-3 (final) are in the best interest of CORE and its members.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of CORE Electric Cooperative hereby adopts the amendments to the Bylaws as presented in Board Documents BD22-2 and BD22-3 and directs that the amended Bylaws be posted on CORE's website in redlined and final formats and that a written copy of the amended Bylaws be sent to each Member of the Cooperative by mail or electronically.

5.8 BR22-8: Insurance Renewal

Ms. Jones made a special presentation regarding renewal of CORE's various insurance coverages. Discussion followed. Upon motion by Mr. Shea, seconded by Mr. Kilgore, the Board unanimously adopted the following resolution:

BOARD RESOLUTION BR22-8

WHEREAS,

CORE Electric Cooperative ("CORE") renews its various insurance coverages annually;

CORE staff have worked with CORE's insurance broker, The Nitsche Group, and with a cooperative insurer, Federated Rural Electric Insurance Exchange ("Federated"), to obtain renewal coverages for the policy period April 1, 2022

through March 31, 2023 (the “2022-23 Policy Period”);

CORE staff have evaluated available coverages and premium costs and recommend that CORE obtain insurance for the 2022-23 Policy Period through Federated for certain coverages and through The Nitsche Group for other coverages while continuing to negotiate regarding potential additional excess coverage; and

Upon consideration of this recommendation, the Board finds that obtaining insurance for the 2022-23 Policy Period through Federated and through the Nitsche Group to be in the best interest of CORE and its members, and that CORE staff should seek to obtain such additional excess coverage as is available and commercially reasonable.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes CORE’s Chief Executive Officer (CEO) and/or the CEO’s delegatee(s) (if/as appropriate) to execute such documents as are necessary to obtain insurance coverage for the 2022-23 Policy Period through Federated Rural Electric Insurance Exchange and through The Nitsche Group, to execute such documents as are necessary to obtain cooperative membership in Federated Rural Electric Insurance Exchange and to take such actions as may be required to secure such membership, and to negotiate and obtain such additional excess insurance coverage as may be available and commercially reasonable.

6. CREA Report and Discussion of Memberships

Mr. White did not give a CREA report this month. Mr. Baudier and the Board of Directors discussed various organizational memberships.

7. Director Updates

There were no Director updates this month.

8. Executive Session: Confidential Legal Matters

Mr. White called for an executive session to discuss Confidential Legal Matters and Executive Compensation. Upon motion by Mr. Anest, seconded by Mr. Sperry, the Board of Directors unanimously approved an executive session.

Upon reconvening in open session, on recommendation of the Executive Compensation Committee, Mr. Graf moved, Mr. Kempe seconded, and the Board unanimously approved that the Chief Executive Officer will be given a 3% cost-of-living raise, retroactive to January 1, 2022.

There being no further business to discuss, Mr. White adjourned the meeting. The next regular meeting will be held on April 28, 2022.