

**MEETING MINUTES
Board of Directors - Regular Meeting
5496 N. U.S. Highway 85
Sedalia, Colorado
October 20, 2022**

Call to Order

President Tim White called a regular meeting of the Board of Directors (“Board”) of CORE Electric Cooperative (“CORE”) at 9:30 a.m. on October 20, 2022.

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

Agenda Approval

Upon motion by Mr. Anest, seconded by Mr. Shea, the Board of Directors unanimously approved the agenda as presented.

Public Comment

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

Mr. White presented Director Ron Kilgore with a Certificate of Completion for the NRECA CCD Program (Credentialed Cooperative Director).

Approval of Minutes of September 22, 2022, Regular Meeting

Upon motion by Mr. Graf, seconded by Mr. Anest, the Board of Directors unanimously approved the minutes of the September 22, 2022 regular meeting, as presented.

Approval of Write-Offs

Upon motion by Mr. Shea, seconded by Mr. Sperry, the Board unanimously approved September write-offs for \$97,713.

Audit Committee Report

Mr. Graf presented the Audit Committee Report. Mr. Graf reported that the Audit Committee held its regular quarterly meeting on October 19, 2022. Directors and committee members Jim Anest, Bob Graf, and Bruff Shea were present and constituted a quorum. Also present were Jeff Baudier, Chief Executive Officer; Dede Jones, Chief Financial Officer; and Karen Sauls, acting Committee Secretary. Julie Desimone from Moss Adams, the Cooperative's independent auditors, attended remotely.

Mr. Graf announced that the quarterly Audit Committee report will be presented orally only and that the quarterly compliance memo will no longer be appended to the board meeting minutes. The report will conclude by suggesting if there is an action to be taken by the Board or if no action is required.

The Committee received and reviewed the quarterly compliance memo from the Cooperative's Chief Financial Officer, Dede Jones. The Committee met remotely with Julie Desimone to discuss the annual financial statement audit procedures and schedule for the year ending December 31, 2022, as well as the receipt of the financial statements. The Committee reviewed Form 990, which will be filed on November 15.

Mr. Graf reported that Management had extensively reviewed CORE's policies, and the Committee felt that the 100 series policies (Board Policies) should also be reviewed for their applicability. The Committee will undertake this project and report to the Board on the status of its review of the 100 series policies.

Approval of Resolution BR22-21: CFC Loan Facility

Upon motion by Mr. Kilgore, seconded by Mr. Sperry, the Board of Directors unanimously approved the following resolution:

BOARD RESOLUTION BR22-21

WHEREAS,

CORE Electric Cooperative ("CORE") under its Articles of Incorporation and Bylaws has the authority to borrow money to finance its operations; and

The Chief Executive Officer and Chief Financial Officer have recommended that CORE establish an additional loan facility to borrow funds from the National Rural Utilities Cooperative Finance Corporation in the amount of seventy-five million dollars (\$75,000,000.00) as set forth in Board Document BD22-11 Loan Agreement and Promissory Note; 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 CORE borrow from National Rural Utilities Cooperative Finance Corporation (“CFC”), from time to time as determined by the board of directors of CORE, an aggregate amount not to exceed \$75,000,000.00 as set forth in the loan agreement with CFC governing such loan, substantially in the form of the loan agreement presented to this meeting (the “Loan Agreement”);

RESOLVED, that the proceeds of this loan be used for the purpose set forth in the Loan Agreement;

RESOLVED, that the individuals listed below are hereby authorized to execute and deliver to CFC the following documents (including as many counterparts as may be required):

- (a) the Loan Agreement;
- (b) one or more secured promissory notes payable to the order of CFC, which in the aggregate shall not exceed the principal amount of \$75,000,000.00 substantially in the form of the note(s) presented to this meeting; and
- (c) if required by CFC, as many counterparts as shall be deemed advisable of a mortgage and security agreement with CFC and CoBank, ACB as mortgagee, for purposes of securing the loan provided for herein, substantially in the form of the mortgage presented to this meeting.

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of CORE to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to said Loan Agreement as such individual may deem appropriate within the amount of the promissory notes so authorized herein and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

<u>Office or Title</u>	<u>Name</u>
President	Timothy L. White
Chief Executive Officer	Jeffrey M. Baudier
Chief Financial Officer	Dierdre P. Jones

Approval of Resolution BR22-22: New PURPA 111(d) Standards

Upon motion by Mr. Kempe, seconded by Mr. Sperry, the Board of Directors unanimously approved the following resolution:

BOARD RESOLUTION BR22-22

WHEREAS,

The United States Congress has approved the Infrastructure Investment and Jobs Act of 2021, which has amended section 111(d) of the Public Utilities Regulatory Policies Act (PURPA); and

PURPA, as amended, requires certain nonregulated electric utilities, including CORE Electric Cooperative (CORE), to consider the adoption of certain standards regarding demand response practices and electric vehicle charging (the PURPA standards); and

CORE is required to adopt and implement procedures, including a public hearing, related to its consideration of the PURPA standards;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors that:

1. The following procedures and schedule shall be followed in connection with CORE's consideration of the new PURPA standards:
 - a. Any consumer who takes service from CORE shall be deemed eligible to participate in the procedures established by this resolution.

- b. CORE shall receive written comments and related material from eligible participants, including staff and experts, on or before February 28, 2023. Such comments shall set forth the name, address, telephone number, and email address of the submitting party. Comments should be submitted electronically and include headings advising the reader of the specific PURPA standard being addressed.
- c. CORE shall post on its website comments and accompanying materials received from eligible participants and shall make copies available to the public on its website and at its offices.
- d. Reply comments may be submitted on or before March 31, 2023. Such comments and any accompanying materials shall conform to the requirements for initial comments, shall be limited to responses to points or information provided by other parties in initial comments or related materials submitted to CORE and shall identify the specific point or points to which the comments are addressed.
- e. All reply comments and related material shall be posted on CORE's website and made available at each of its offices.
- f. On or before May 1, 2023, eligible participants should notify CORE in writing of their desire to participate in the public hearing to be held by the Board of Directors regarding the PURPA standards. Such notification should indicate the name and address of the person requesting to participate, the requested length of the party's presentation, and whether any special accommodations are requested. A party need not have submitted written comments to participate in the hearing.
- g. The Board of Directors shall hold a hearing at which it will hear oral comments from eligible persons beginning at 1:00 PM on May 18, 2023 at its office located at 5496 N. US Highway 85, Sedalia, CO 80135. The purpose of the hearing shall be to collect information relevant to the PURPA standards in addition to that found in the written comments. The specific procedures to be followed at the hearing shall be determined based on the number of participants and the extent of the anticipated comments or presentations.

- h. Prior to November 15, 2023, the Board of Directors shall consider the evidence provided through the foregoing process and shall determine whether to implement any of the PURPA standards. Such determination shall be in writing and shall be based on the findings made from the written materials and oral information provided to the Board. The Boards' findings and determinations shall be posted to CORE's website and made available to any consumer upon request.
2. The Chief Executive Officer (CEO) shall designate an employee with responsibility for receiving and responding to inquiries regarding CORE's consideration of the PURPA standards and receiving and posting comments received from eligible parties.
3. The CEO is hereby authorized to supplement these procedures as may be needed for their practicable implementation, including, without limitation, to make provisions for electronic filing of written submissions, to provide accommodation to eligible parties who may have special needs, to waive timelines in the event of unforeseen circumstances or emergencies, or to address such other matters as may arise in the course of the implementation and administration of this process.

Notice of this procedure shall be published on CORE's website and in CORE's newsletter beginning in December 2022 and shall be posted at CORE's offices.

Approval of Resolution BR22-23: Wolf Creek Distribution Rebuild Project

Upon motion by Mr. Graf, seconded by Mr. Kilgore, the Board of Directors unanimously approved the following resolution:

BOARD RESOLUTION BR22-23

WHEREAS,

CORE Electric Cooperative ("CORE") intends to rebuild approximately eight (8) miles of three-phase overhead line known as the Wolf Creek Distribution Rebuild Project in Arapahoe County southwest of Strasburg, Colorado. This project was included in the approved 2022 Construction Budget.

CORE solicited and received proposals for the Overhead and Underground Electric Distribution System Improvement Construction Agreement for the Plains District in 2019 from four (4) prequalified contractors: Power Contracting; Colorado Powerline, Inc.; Foothills Energy Services, Inc.; and Ward Electric Company. The work for this area was awarded to Colorado Powerline, Inc under a multi-year contract.

CORE's engineering staff and outside consultant have reviewed the technical requirements, schedules, and pricing estimate;

The contractor-provided labor and materials are estimated to be Two Million, Thirteen Thousand, Eight Hundred Eighty-Nine Dollars and Sixty-Eight Cents (\$2,013,889.68);

CORE's engineering staff recommends construction of the project be released to Colorado Powerline, Inc for the rebuild of the Wolf Creek Distribution Rebuild Project;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors authorizes CORE's Chief Executive Officer to release Colorado Powerline, Inc for the construction of the Wolf Creek Distribution Rebuild Project in the amount of Two Million, Thirteen Thousand, Eight Hundred Eighty-Nine Dollars and Sixty-Eight Cents (\$2,013,889.68), and such additional amounts not to exceed fifteen percent (15%), if any, as may be reasonably necessary to complete the construction of the project consistent with such contract, and further authorizes the Chief Executive Officer to execute on behalf of CORE any documents necessary to effectuate such conveyance.

Approval of Resolution BR22-24: Citadel PCA Building

Upon motion by Mr. Kempe, seconded by Mr. Shea, the Board of Directors unanimously approved the following resolution:

BOARD RESOLUTION BR22-24

WHEREAS,

CORE Electric Cooperative (“CORE”) intends to construct the Citadel Substation in 2023 for the purpose of serving growing demand in Douglas 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 Citadel Substation PCA in the amount of \$2,842,446.00;

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 Citadel Substation PCA; and

The Board of Directors 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 Citadel Substation power control assembly in the amount of Two Million Eight Hundred Forty-Two Thousand, Four Hundred Forty-Six Dollars (\$2,842,446.00) and such additional amounts not to exceed fifteen percent (15%), if any, as may be reasonably necessary to complete the construction of the project consistent with such contract, and further authorizes the Chief Executive Officer to execute on behalf of CORE any documents necessary to effectuate such conveyance.

Presentation: 2023 Draft Construction Budget

Ms. Feuerstein reviewed the construction budget items in the 2023 proposed budget. Discussion ensued. No Board action is required at this time. The final 2023 Budget will be on the agenda for approval at the December 15 board meeting.

Presentation: Retirement Plan Updates

Ms. Jones presented potential updates to CORE's retirement plans to the Board. Discussion followed. The Board will be asked to approve proposed resolutions at either the November or December board meetings.

Quarterly Staff Presentations

Finance

Ms. Jones reviewed with the Board CORE's financial results, debt service coverage, and equity-to-assets ratio and reported that CORE's finances align with the plan. In September, kWh sales were 4.6% higher than the previous year, resulting from weather and growth. Year-to-date, kWh sales are up slightly from last year. Discussion followed. Year-to-date, the approved budget margin was \$21.1 million, and the forecasted year-end margin is close to the budget. Ms. Jones also reviewed power costs and the Cooperative's long-term debt portfolio. Discussion followed.

Operations and Engineering

Ms. Feuerstein reviewed the third quarter power supply, operations, engineering, and safety results.

Capacity factors were reported as follows:

- Comanche Unit 3: 71.34%
- Victory Solar: capacity factor was 13.18%.
- Pioneer Solar: capacity factor was 31.86%.

For September 2022, system peak demand was 629 MW, up from the prior year.

Ms. Feuerstein reviewed reliability data and discussed how weather patterns and Xcel's planned outage for Bergen Park affected our reliability.

System maintenance is making great strides. Vegetation management remains on track, and tasks will be completed by the end of the year. Line patrol maintenance efforts are exponentially increasing with foot and drone patrols.

System growth is tracking about the same as last year. Applications for service, year-to-date, are 4,439, compared to 3,880 the previous year. Meter sets were up by about 500 from the prior year.

Ms. Feuerstein updated the Board on the Advanced Distribution Management System project. Discussion followed.

Ms. Feuerstein summarized the safety results noting that there is improvement in the injury and vehicle incident rates. The Safety and Health Director position was filled by an internal candidate, Mike Kaine, who was the District Manager for the Conifer office. Mr. Kaine is working hard to build up the safety department, change the culture to a positive atmosphere, and develop a training plan. A safety management system has been acquired and will be rolled out soon. Discussion followed.

Corporate Services

Ms. Solano reviewed the Cooperative's performance management program and personnel metrics for the third quarter. Discussion followed.

Ms. Solano discussed the third quarter's Information Technology projects, metrics, and cybersecurity measures. Discussion followed.

Ms. Solano summarized facilities, Fleet, and Strategic Planning and Communications metrics. She updated the Board on the status of the Conifer district office project. Discussion followed.

Ms. Solano reported that the 2023 strategic plan would be presented to the Board in December. She also reviewed other current strategic projects related to government affairs, communications, and planning for 2023.

Member Experience

Ms. Leshar reviewed call center statistics, payments and delinquent analytics, member contacts, energy solutions projects, and business development opportunities. The new phone system upgrade is expected to go live at the end of October or early November. She reported that the prepaid billing plan is progressing well and going live on February 1, 2023.

Ms. Leshar gave a status update on the public EV charging stations project. CORE received approval for Colorado grant funding for public EV chargers in various locations throughout CORE's service territory. She reviewed various load growth opportunities that the Cooperative is pursuing. Discussion followed.

CEO

Mr. Baudier stated that he would review some things in the executive session.

Mr. Baudier reported the 2022 International Lineman's Rodeo was held last week in Overland Park, Kansas. CORE sent two teams of linemen and six apprentices, including Alex Mendez, Distribution Operations Director, District Managers, Robert Kiess and TJ Havens, and Mr. Baudier, to the 2022 International Lineman's Rodeo. CORE's teams placed 16th and 22nd in the cooperative classification and placed 99th and 143rd overall out of 242. James Deckert (apprentice) placed 5th of all cooperatives and 29th apprentice of 366 apprentices in the industry. He scored a perfect 100 in each of the four events he participated in.

Mr. Baudier reported that CoBank highlights a member in its annual report. CoBank selected CORE Electric Cooperative as its highlighted member in its 2022 Annual Report this year.

Director Updates

Jim Anest noted that he spoke with the CEO of RMEL and was interested in inviting him to one of CORE's Board of Directors meetings to meet the rest of the Board.

Executive Session: Confidential Matters

Mr. White called for an executive session to discuss confidential matters. Upon motion by Mr. Graf, seconded by Mr. Kilgore, and carried unanimously, the Board of Directors

approved an executive session. The Board convened in executive session with Mr. Baudier, staff members, and Perry Glantz and Jim Bertrand, legal counsel.

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

The next regular meeting will be held on November 17, 2022.