

**MEETING MINUTES
Board of Directors - Regular Meeting
5496 N. U.S. Highway 85
Sedalia, Colorado
January 26, 2023**

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 January 26, 2023

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

Two members were present and addressed the Board.

Approval of Minutes of December 15, 2022, Regular Meeting

Mr. Graf noted an incorrect date in the minutes. Upon motion by Mr. Kilgore, seconded by Mr. Anest, the Board of Directors unanimously approved the minutes of the December 15, 2022, regular meeting, corrected as noted.

Approval of Write-Offs

Upon motion by Mr. Graf, seconded by Mr. Sperry, the Board unanimously approved December write-offs for \$49,037.

Audit Committee Report

Mr. Graf presented the Audit Committee Report. Mr. Graf reported that the Audit Committee held its regular quarterly meeting on January 25, 2023. 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; Amanda Hall, Director of Enterprise Risk Management; Wade Pynes, Controller; Kathleen Salono, Chief Administrative Officer; Stephen Figueroa, Commercial Operations Director; and Karen Sauls, acting Committee Secretary.

The Committee had a lengthy discussion regarding Board Policy 111, Financial Policy. They found that the current policy contains more management policies rather than Board oversight requirements. Management will propose a revision of Board Policy 111 that shows the board in an oversight position. The Audit Committee recommends tabling approval of Board Policy 111 today, and a revised policy will be brought to the Board for approval at the February board meeting. Discussion followed.

The Committee received and reviewed the quarterly compliance memo from the Cooperative's Chief Financial Officer, Dede Jones. The Cooperative's financials continue to comply with applicable tax reporting, and lender covenants and internal controls are in place to ensure material irregularities do not occur.

Mr. Graf updated the Board on the review of the 100 series policies (Board Policies). The Committee will review the policies and, starting in February, will bring proposed amendments to the board for review and adoption in four segments until all policies have been reviewed.

Approval of Resolution BR23-1: Letter of Credit Agreement to Town of Castle Rock re Construction of Citadel Substation

Upon motion by Mr. Anest, seconded by Mr. Shea, the Board unanimously adopted the following resolution:

BOARD RESOLUTION BR23-1
CERTIFICATE OF RESOLUTIONS AND INCUMBENCY

I, James T. Anest, do hereby certify that (i) I am the Secretary of CORE Electric Cooperative (hereinafter called the "Cooperative"); (ii) the following are true and correct copies of resolutions duly adopted by the board of directors of the Cooperative at a meeting held on January 26, 2023; (iii) the meeting was duly and regularly called and held in accordance with the articles and bylaws of the Cooperative; (iv) the Cooperative is duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and there is no pending or contemplated proceeding for the merger, consolidation, sale of assets or business or dissolution of the Cooperative; (v) forms of the documents identified below were submitted to the meeting and were authorized by the board of directors to be executed; (vi) none of the following resolutions has been rescinded or modified as of this date; and (vii) the persons authorized below have been duly elected or appointed to their respective positions and occupied such positions on the date of actual execution of the loan documents:

"RESOLVED, that the Cooperative is hereby authorized to apply for a letter of credit to be issued by National Rural Utilities Cooperative Finance Corporation ("CFC"), in accordance with the terms and conditions of the Letter of Credit Reimbursement Agreement substantially in the form submitted to this meeting (the "Letter of Credit Agreement"), *provided that* such letter of credit shall be issued to Town of Castle Rock, as Beneficiary thereof and shall be in an aggregate amount not to exceed \$108,273.00; and

RESOLVED, that the individuals listed below are hereby authorized to execute and to deliver to CFC the Letter of Credit Agreement;

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the Cooperative to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to said Letter of Credit Agreement as such individual may deem appropriate within the amount 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 (typed or printed)</u>
President	Timothy L. White
Chief Executive Officer	Jeffrey M. Baudier
Chief Financial Officer	Dierdre P. Jones

IN WITNESS WHEREOF I have hereunto set my hand as of the date shown below.

Approval of Proposed Amendments to Board Policy 111 – Financial Policy

This item is tabled until the February board meeting.

Quarterly Staff Presentations

Finance

Ms. Jones reviewed CORE's financial results, debt service coverage, and equity-to-assets ratio and reported that CORE's finances align with the plan. In December, kWh sales were 11.4% higher than the previous year, resulting from weather and growth. Year-to-date, kWh sales are up slightly from last year. Discussion followed. The year-end margin was \$3.8 million over the approved budget margin of \$21.1 million. Ms. Jones also reviewed power costs and the Cooperative's long-term debt portfolio. Discussion followed.

Operations and Engineering

Ms. Feuerstein reviewed year-end power supply, operations, engineering, and safety results.

Capacity factors were reported as follows:

- Comanche Unit 3: 60.40%
- Victory Solar: capacity factor was 7.71%.
- Pioneer Solar: capacity factor was 17.20%.

For December 2022, system peak demand was 508629 MW, up from the prior year.

Ms. Feuerstein summarized CORE's strategic initiative for future generation resources.

Ms. Feuerstein reviewed reliability data and discussed how weather (primarily wind and snow) and public incidences (vehicle accidents, digging/boring into equipment, or contact with overhead lines) affected our reliability.

Vegetation management tasks for 2022 were completed on time and under budget. Staff is looking at implementing AI technology to assist in determining high-risk areas. In 2022, 2,340 miles of overhead line were inspected, and repairs were completed on 4,571 poles. The drone pilot program inspected over 14,000 poles, resulting in repairs on 889 identified poles. The drone program will be ramped up in 2023. There are approximately 12,000 poles tested annually, and the total reject percentage for the year was 0.4%.

Ms. Feuerstein reviewed the 2022 accomplishments of the Wildfire Mitigation Program. CORE filled the Utility Wildfire Mitigation Coordinator position, a Wildfire Steering Committee was put in place, and a contract with FarmBox for forest rehabilitation was executed.

In 2022, applications for service were up 5% from 2021, and the number of meters set was up 14% from the prior year. We are not anticipating any slowdown.

Ms. Feuerstein reviewed the results from the 2022 construction budget.

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

Ms. Feuerstein reviewed the progress of the safety program, noting that a director and supporting staff have been hired; the safety document management system has been implemented and is operational, and they have started working on leading indicator metrics for 2023 goals. Discussion followed.

Corporate Services

Ms. Solano was absent and excused. Staff members from Ms. Solano's team presented the Corporate Services quarterly presentation.

Marcy Hudson, People Operations Director, reviewed the Cooperative's personnel metrics, employee wellness program, and performance management program for the fourth quarter. Discussion followed.

Jeremy Cannon, Information Technology Director, reviewed projects, metrics, and cybersecurity measures. Discussion followed.

John Zenyuh, Corporate Services/Project Director, summarized Facilities, Fleet, and Network Communications metrics. He updated the Board on the status of the Conifer and Woodland Park district office projects. Discussion followed.

Cindy Newsome, Strategic Planning and Communications Director, reported that the 2023 strategic plan would be presented to the Board at the February board meeting. She also reviewed other current strategic projects related to government affairs and communications.

Member Experience

Ms. Leshar reviewed call center statistics, payments, and delinquent analytics. The new phone system upgrade was implemented in November, and the calls dropped over 40% in Q4 from 2021 due to the phone system enhancements. She reported that the Advance Pay (pre-pay) billing plan is progressing well and going live on February 8, 2023.

She also updated the Board on energy solutions projects and business development opportunities. CORE received grant funding for eight public charging locations. The site design plans have been completed. CORE announced in the January issue of The Outlet that CORE would launch a charge-at-home program with CORE-owned Level II chargers.

Ms. Leshar reviewed business development projects and various load growth opportunities that the Cooperative is pursuing. Discussion followed.

CEO

Mr. Baudier stated that most items from his report were covered during the meeting, but he had a few things to discuss.

Mr. Baudier stated that for the purpose of the minutes, CORE can now disclose that it has partnered with Invenergy as its power supplier starting in January 2026.

Mr. Baudier updated the Board on the Fitch credit rating project. Discussion followed.

Director Updates

Mr. Graf stated that he and Robert Keiss personally delivered donation checks within his district.

Executive Session: Confidential Legal Matters

Mr. White called for an executive session to discuss confidential legal matters. Upon motion by Mr. Graf, seconded by Mr. Sperry, 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, legal counsel.

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

The next regular meeting will be held on February 16, 2023.