

**MEETING MINUTES
Board of Directors - Regular Meeting
5496 N. U.S. Highway 85
Sedalia, Colorado
February 16, 2023**

Call to Order

President Tim White called a regular meeting of the Board of Directors (“Board”) of CORE Electric Cooperative (“CORE”) at 9:31 a.m. on February 16, 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

Mr. White requested to move item number 10, Approval of Resolution BR23-7: Authorization to Enter into Power Purchase Agreement, to come after the Executive Session, as item number 13. Upon motion by Mr. Anest, seconded by Mr. Kilgore, the Board of Directors unanimously approved the agenda, amended as noted.

Public Comment

One member was present for the meeting but did not address the Board.

Approval of Minutes of January 26, 2023, Regular Meeting

Upon motion by Mr. Graf, seconded by Mr. Shea, the Board of Directors unanimously approved the January 26, 2023, meeting minutes, as presented.

Approval of Write-Offs

Upon motion by Mr. Shea, seconded by Mr. Sperry, the Board unanimously approved January write-offs for \$78,573.

Approval of Resolution BR23-2: Amended and Restated Loan Agreements

Following discussion and upon motion by Mr. Kempe and seconded by Mr. Kilgore, five of seven Directors present voted to approve the following resolution, Mr. Graf and Mr. Anest voted “no”:

BOARD RESOLUTION BR23-2

WHEREAS,

CORE Electric Cooperative (“CORE”) desires to release its existing Amended and Restated Mortgage and Security Agreement, dated as of April 4, 2006, among the CORE, f/k/a The Intermountain Rural Electric Association, the National Rural Utilities Cooperative Finance Corporation (“CFC”) and CoBank, ACB (“CoBank”) as it has been heretofore supplemented (the “Mortgage”), and replace it with a mortgage indenture (the “Indenture”) (such release and replacement is hereinafter referred to as the “Substitution”); and

Board Resolution BR21-1 authorized CORE to enter into the Indenture and appoint U.S. Bank National Association as Trustee (the “Trustee”); and

In connection with the Substitution, CFC and CoBank require the restatement and consolidation of CORE’s existing loan agreements and related promissory notes, and line of credit agreements, (the “Loan Agreements”) with CFC and CoBank; and

CFC and CoBank have consented to CORE’s transfer of ownership in Comanche 3 and waived compliance with each term, condition, and provision in existing loan agreements and security instruments, which would have otherwise resulted in an event of default (referred to as “Consent and Waiver”); and

CoBank’s Consent and Waiver requires CORE to deposit proceeds in excess of \$100,000,000 for the transfer of ownership in Comanche 3 with CoBank, which may be released by CoBank to repay outstanding debt to CoBank, make capital improvements, or for any other purpose consented to by CoBank (the “Deposit Requirement”); and

CORE is negotiating with CoBank terms in the CoBank Loan Agreements specific to this Deposit Requirement so as to be consistent with the requirements of the Indenture as well as CoBank’s Consent and Waiver; and

CORE has negotiated with CFC and CoBank substantially all other terms of the Loan Agreements consistent with the requirements of the Indenture;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors authorizes the Chief Executive Officer or his designee to finalize negotiation with CoBank regarding the Deposit Requirement, to execute and deliver the Loan Agreements, and do all such other acts as in the opinion of the foregoing officer(s) may be necessary or appropriate in order to carry out the purpose and intent of the foregoing resolution.

Approval of Resolution BR23-3: Citadel Substation Construction Contract

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

BOARD RESOLUTION BR23-3

WHEREAS,

CORE Electric Cooperative (“CORE”) intends to construct the Citadel Substation to add capacity and support load growth in the area;

CORE solicited and received proposals for construction of the Citadel Substation on January 27, 2023, from five (5) prequalified contractors: Colorado Powerline, Inc.; Foothills Energy Services, Inc.; Great Southwestern Construction, Inc.; Interstate Electrical Contractors, Inc. and Ward Electric Company;

CORE’s engineering staff and outside consultant have reviewed the technical requirements, schedules, and pricing of all bids received;

The proposal selected was submitted by Great Southwestern Construction, Inc. in the amount of Two Million, Five Hundred Two Thousand, Nine Hundred Seventy-One Dollars and Fifty-Eight Cents (\$2,502,971.58);

CORE’s engineering staff recommends a construction contract be awarded to

Great Southwestern Construction, Inc. for construction of the Citadel Substation;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors authorizes CORE's Chief Executive Officer to award a contract to Great Southwestern Construction, Inc. for the construction of the Citadel Substation in the amount of Two Million, Five Hundred Two Thousand, Nine Hundred Seventy-One Dollars and Fifty-Eight Cents (\$2,502,971.58), and such additional amounts not to exceed fifteen percent (15%), if any, as may be reasonably necessary to complete the construction of the Citadel Substation 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 BR23-4:
South Comanche Distribution Line Reconductor Construction Contract**

Upon motion by Mr. Graf, seconded by Mr. Kempe, the Board unanimously adopted the following resolution:

BOARD RESOLUTION BR23-4

WHEREAS,

CORE Electric Cooperative ("CORE") intends to rebuild approximately seven (7) miles of three-phase overhead line known as the South Comanche Distribution Line Reconductor project in Elbert County northeast of Kiowa, Colorado. This project was included in the approved 2023 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 material is estimated to be One Million, Nine Hundred Sixty-Three Thousand, Seven Hundred Eight Dollars and Twenty-Six Cents (\$1,963,708.26);

CORE's engineering staff recommends construction of the project be released to Colorado Powerline, Inc for the rebuild of the South Comanche Distribution Line Reconductor;

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 South Comanche Distribution Line Reconductor in the amount of One Million, Nine Hundred Sixty-Three Thousand, Seven Hundred Eight Dollars and Twenty-Six Cents (\$1,963,708.26), 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 Resolutions BR23-5 and BR23-6:
Architectural Contracts for the Woodland Park and Conifer Offices**

Upon motion by Mr. Kilgore, seconded by Mr. Sperry, the Board unanimously adopted the following resolutions:

BOARD RESOLUTION BR23-5

WHEREAS,

The Board of Directors of CORE Electric Cooperative ("CORE") decided to remodel its district office that serves the southern portion of its service territory (Woodland Park District Office); and

LKA Partners, Inc. is currently under contract for programming services regarding the Woodland Park Office Renovation Project. CORE issued a sole source request

for a services proposal to provide continued architectural design and related services to complete said project due to LKA's existing programming work and prior design of CORE's Bennett facility. CORE received an LKA Partners, Inc. proposal in response; and

CORE's staff evaluated the proposal for technical merit and cost and determined that LKA Partners, Inc. submission meets project requirements at an industry-appropriate cost; and

The CORE staff have reviewed the proposal and recommend that CORE award LKA Partners, Inc. a Standard Form of Agreement Between Owner and Architect (AIA B133-2019); 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 execute a Standard Form of Agreement Between Owner and Architect (AIA Form B133-2019), which may be amended as deemed appropriate by the Chief Executive Officer, for the Woodland Park Office Renovation Project to LKA Partners, Inc. in the amount of *One Million, Five-Hundred and Ten Thousand, Six Hundred and Sixty, and No Cents (\$1,510,660.00)* and such additional amounts if any, as may be reasonably necessary to design the Woodland Park Office Renovation Project.

BOARD RESOLUTION BR23-6

WHEREAS,

The Board of Directors of CORE Electric Cooperative ("CORE") decided on a new district office that serves the northwest portion of its service territory (Conifer District Office); and

LKA Partners, Inc. is currently under contract for programming services regarding the Conifer Office Renovation Project. CORE issued a sole source request for a services proposal to provide continued architectural design and related services to complete said project due to LKA's existing programming work and prior design of CORE's Bennett facility. CORE received an LKA Partners, Inc. proposal in response; and

CORE's staff evaluated the proposal for technical merit and cost and determined that LKA Partners, Inc. submission meets project requirements at an industry-appropriate cost; and

The CORE staff have reviewed the proposal and recommend that CORE award LKA Partners, Inc. a Standard Form of Agreement Between Owner and Architect (AIA B133-2019); 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 execute a Standard Form of Agreement Between Owner and Architect (AIA Form B133-2019), which may be amended as deemed appropriate by the Chief Executive Officer, for the Conifer Office Construction Project to LKA Partners, Inc. in the amount of *One Million, Seven-Hundred Thousand, Four Hundred and Eighty-Five, and No Cents (\$1,700,485.00)* and such additional amounts, if any, as may be reasonably necessary to design the Conifer Office Construction Project.

Approval of Proposed Amendments to Board Policies 106 and 111

Following discussion, and upon motion by Mr. Shea and seconded by Mr. Kilgore, five of seven Directors present voted to approve the proposed amendments to Board Policy 106, as presented, Mr. Graf and Mr. Kempe voted "no."

A member of the Cooperative joined the meeting at 10:10 am; he did not address the Board.

Upon motion by Mr. Graf, seconded by Mr. Kilgore, the Board of Directors unanimously approved the proposed changes to Board Policy 111, as presented.

Presentation: CORE 2023 Organizational Scorecard

Mr. Baudier presented CORE's 2023 organizational scorecard and strategic plan to the Board. Discussion followed.

Director Updates

Mr. Kempe noted that he appreciated the legislative update submitted with the meeting materials.

Executive Session: Confidential Legal Matters

Mr. White called for an executive session to discuss confidential legal and employee matters. Upon motion by Mr. Kilgore, 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.

Approval of Resolution BR23-7: Authorization to Enter into Power Purchase Agreement

Upon reconvening in open session, Mr. Sperry moved, Mr. Shea seconded the motion, and the Board unanimously adopted the following resolution:

BOARD RESOLUTION BR23-7

The Board of Directors (the "Board") of CORE Electric Cooperative, a Colorado cooperative association ("CORE"), hereby takes the following actions and adopts the following recitals and resolutions upon a favorable vote at its duly called Board meeting held today, February 16, 2023.

WHEREAS,

CORE desires to manage the long-term costs for the use of energy in its operations to serve its members' load by entering into agreements to purchase gas dispatchable power and other energy-generating resources, including wind and solar, and energy storage (collectively, "Power Purchase Agreements").

Through an RFP process, CORE solicited, carefully reviewed, and considered a number of proposed Power Purchase Agreements, which process informed CORE of current prevailing market pricing for the supply of energy and energy storage.

Following the conclusion of CORE's RFP process, CORE contacted several additional power suppliers who had not participated in the RFP process to request their proposals for Power Purchase Agreements ("Additional Proposals").

After considering the Additional Proposals, CORE selected preferred proposals for gas dispatchable power that best fits CORE's energy source portfolio because its pricing falls within current prevailing market rates and because it is comprised of an already-built gas turbine facility and a partially completed gas turbine facility.

It is proposed that CORE proceed to negotiate and execute Power Purchase Agreements with this preferred vendor and/or its affiliates to provide for the electric capacity and associated energy produced by these two gas turbine facilities to commence on or after January 1, 2025 (the "Proposed Transactions").

NOW, THEREFORE, BE IT RESOLVED, that based upon the presentations made to the Board at this meeting and upon such other matters as were deemed relevant by the Board, the Board (a) finds that the Proposed Transactions are in the best interests of CORE, its members, as well as its other constituencies, and (b) hereby approves the Proposed Transactions; and

BE IT RESOLVED FURTHER, that the Chief Executive Officer of CORE ("Authorized Officer") is authorized, for and on behalf of CORE, to (a) negotiate and enter into the Proposed Transactions and execute one or more Power Purchase Agreements with the preferred vendor and/or its affiliates in furtherance of the Proposed Transactions in such form as deemed necessary or advisable by the Authorized Officer, and (b) take all such other actions as the Authorized Officer may deem necessary or advisable in connection with the Proposed Transactions and the transactions contemplated thereby, and the taking of any such action to be deemed conclusive evidence that each of the Board and CORE has authorized such action.

Approval of 2022 Year-End Employee Compensation

Mr. Graf moved, Mr. Kempe seconded the motion, and the Board unanimously approved that the Chief Executive Officer will be awarded a performance bonus for 2022, pursuant to his employment contract.

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

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