

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

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

**Public Comment**

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

**Approval of Minutes of February 16, 2023, Regular Meeting**

Upon motion by Mr. Shea, seconded by Mr. Anest, the Board of Directors unanimously approved the March 16, 2023, meeting minutes, as presented.

**Approval of Write-Offs**

Mr. Shea requested and received information regarding one of the write-offs. Upon motion by Mr. Graf, seconded by Mr. Kempe, the Board unanimously approved January write-offs for \$112,033.

## **Approval of Amended Board Policies**

### **Board Policy 100**

The Board reviewed and discussed the Audit Committee's proposed amendments to Board Policy 100. Some Directors suggested additional amendments. Mr. Graf recommended deferring approval of Board Policy 100 so that the Audit Committee could incorporate the additional amendments, as discussed.

### **Board Policy 101**

Upon motion by Mr. Graf, seconded by Mr. Sperry, the Board of Directors unanimously approved the proposed amendments to Board Policy 101, as presented.

### **Board Policy 103**

Mr. Kilgore noted a typo in the policy. Upon motion by Mr. Graf, seconded by Mr. Anest, the Board of Directors unanimously approved the proposed amendments to Board Policy 103, corrected as noted.

## **Approval of Resolution BR23-8: Spring Valley Substation PCA**

Mr. Graf requested to add "not to exceed fifteen percent (15%) of the authorized amount" to the resolution. Upon motion by Mr. Shea, seconded by Mr. Kempe, the Board unanimously adopted the following resolution, amended as requested:

### **BOARD RESOLUTION BR23-8**

WHEREAS,

CORE Electric Cooperative ("CORE") intends to construct the Spring Valley Substation in 2024 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; and

CORE has utilized Powell Electrical Systems, Inc. ("Powell") as the primary source for these PCAs because Powell is the only manufacturer that meets CORE's requirements and specifications. CORE has solicited and received a proposal from Powell for the PCA for the Spring Valley Substation PCA in the amount of \$2,982,587, which is consistent with the pricing for the Citadel Substation PCA purchased from Powell in October 2022; and

CORE's engineering staff and outside consultant have reviewed Powell's proposal and have determined that the proposal meets all technical requirements as well as the required delivery schedule; and

CORE's engineering staff recommends that CORE award an Equipment Contract to Powell for the Spring Valley Substation 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 Citadel Substation PCA in the amount of Two Million Nine Hundred Eighty-Two Thousand, Five Hundred Eighty-Seven Dollars (\$2,982,587) and such additional amounts as may be reasonably necessary, if any, not to exceed fifteen percent (15%) of the authorized amount, 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.

### **Approval of Resolution BR23-9: CFC Emergency Line of Credit Agreement**

Upon discussion, Resolution BR23-9: CFC Emergency Line of Credit Agreement has been deferred to the April Board meeting for approval.

### **Approval of Resolution BR23-10: CFC Operating Line of Credit Agreement**

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

#### **BOARD RESOLUTION BR23-10**

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 March 16, 2023; (iii) the meeting was duly and regularly called and held in accordance with the 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 loan documents 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 establish a line of credit and authorize borrowing from National Rural Utilities Cooperative Finance Corporation ("CFC") in an amount which shall not at any one time exceed \$50,000,000.00 (the "Line of Credit Amount"), subject to the provisions of the Line of Credit Agreement substantially in the form submitted to this meeting (the "Line of Credit Agreement"); and,

RESOLVED, that the individuals listed below are hereby authorized to execute and to deliver to CFC the Line 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 Line of Credit Agreement as such individual may deem appropriate within the Line of Credit Amount so authorized 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	Tim White
Chief Executive Officer	Jeff Baudier
Chief Financial Officer	Dierdre Jones
Controller	Wade Pynes

### **Presentation: Donation Application Process**

Carrie Wedel, Community Relations Specialist, presented to the Board CORE's donation application process. Discussion followed.

### **Director Updates**

Mr. Anest stated that he and Mr. Baudier toured the Parker Taskforce last month and praised the organization for its efforts in assisting those in need. Discussion followed.

### **CEO Update**

Mr. Baudier discussed a California PUC proceeding regarding an application from a company wanting to operate as a microutility. Discussion followed.

Mr. Baudier reported that he was asked to testify by a joint task force created to evaluate electric bills. Discussion followed.

Mr. Baudier reviewed with the Board CORE's weekly employee-related communications and how the Board can access those communications and CORE's employee intranet.

### **Executive Session: Confidential Matters**

Mr. White called for an executive session to discuss confidential matters. Upon motion by Mr. Anest, seconded by Mr. Sperry, and carried unanimously, the Board of Directors approved an executive session. The Board convened in executive session at 10:51 a.m. with Mr. Baudier, staff members, and Perry Glantz, legal counsel.

The Board reconvened in open session at 12:01 p.m.

### **Approval of Resolution BR23-11: Insurance Renewal**

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

#### **BOARD RESOLUTION BR23-11**

WHEREAS,

CORE Electric Cooperative (“CORE”) renews its various insurance coverages annually; and

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, 2023 through March 31, 2024 (the “2023-24 Policy Period”); and

CORE staff have evaluated available coverages and premium costs and recommend that CORE obtain insurance for the 2023-24 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 2023-24 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 2023-24 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.

### **Approval of Resolution BR23-12: Deferred Revenue Plan**

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

### **BOARD RESOLUTION BR23-12**

WHEREAS,

The Board of Directors of CORE Electric Cooperative ("CORE") received a presentation from Staff on March 16, 2023, summarizing a Deferred Revenue Plan (the "Plan") based upon utility industry-specific guidance in Accounting Standards Codification 980 "Regulated Operations" ("ASC 980") of generally accepted accounting principles in the United States, which allows current period costs or revenues to be deferred to future periods provided that such costs or revenues will be included in future rates; and

The Board of Directors desires to provide future rate stability for CORE's members while, at the same time, set rates that allow CORE to achieve its financial objectives; and

Deferral and recognition of revenue as delineated in the Plan will be used to stabilize rates when economic conditions or events could result in significant rate increases or decreases; and

CORE is able to defer an amount up to \$15,000,000, subject to audit, while meeting its financial obligations for fiscal year 2022; and

The CEO and the CFO recommend implementing the Plan as set forth in BD23-2; 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 by the Board of Directors, as the rate regulator and governing body of CORE, that it does hereby approve:

- a) implementation of the Plan;
- b) deferral of up to \$15,000,000 of revenue collected in 2022; and
- c) that the amount deferred will be funded and subsequently recognized in a future year or years, in accordance with the Plan.

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

The next regular meeting will be held on April 27, 2023.