

MEETING MINUTES
The Board - Regular Meeting
5496 N. U.S. Highway 85
Sedalia, Colorado
April 27, 2023

Call to Order

President Tim White called to order a regular meeting of the Board of Directors ("the Board") of CORE Electric Cooperative ("CORE") at 9:31 a.m. on April 27, 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.

Agenda Approval

Upon motion by Mr. Anest, seconded by Mr. Kilgore, the Board unanimously approved the agenda as presented.

Public Comment

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

Election of Officers

Mr. Graf motioned to reappoint officers as they currently exist, seconded by Mr. Sperry. The Board unanimously reappointed all Cooperative Board Officers: Tim White as President, Bruff Shea as Vice President, Jim Anest as Secretary-Treasurer, and Mike Kempe as Assistant Secretary-Treasurer.

Appointment of Audit Committee Members

Mr. Shea motioned to nominate the following directors to the audit committee: Bob Graf, Jim Anest, and Ron Kilgore. Mr. Kempe seconded the motion, and the Board unanimously approved those nominated directors to the audit committee.

Appointment of Compensation Committee

Mr. Shea motioned to reappoint compensation committee members as they currently exist, seconded by Mr. Anest. The Board unanimously approved the following directors for the compensation committee: Bob Graf, Mike Kempe, and Mike Sperry.

Upon discussion, the Board determined that a resolution was appropriate to formally establish the compensation committee. A resolution will be presented at the May board meeting.

Approval of Minutes of March 16, 2023, Regular Meeting

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

Approval of Minutes of April 22, 2023, Annual Meeting

Upon motion by Mr. Sperry, seconded by Mr. Kempe, the Board unanimously approved the April 22, 2023, annual meeting minutes, as presented.

Approval of Write-Offs

Upon motion by Mr. Shea, seconded by Mr. Kilgore, the Board unanimously approved March write-offs for \$311,566.

Audit Committee Report

Mr. Graf presented the Audit Committee Report. He reported that the Audit Committee held its regular quarterly meeting on April 26, 2023.

The Committee met with Julie Desimone, who reviewed the draft audited financial statements prepared by Moss Adams. Ms. Desimone and the committee had a comprehensive discussion regarding the proposed reports.

Mr. Graf updated the Board on the Board policies revision project.

The Risk and Audit Analyst position (Internal Auditor) remains open. Amanda Hall, Director of Enterprise Risk Management, presented a more modern and progressive approach to this position. The Committee is optimistic that the position will be filled in the third quarter.

The Committee and CORE staff discussed bank closures that have recently been in the news and what steps CORE is taking to protect itself. Mr. Graf reported that Dede Jones and her team had established protective measures and processes. Discussion followed.

Mr. Anest thanked Bruff Shea for his service and commitment to the Audit Committee.

Auditor Presentation: Julie Desimone, Moss Adams

Julie Desimone, an auditor for Moss Adams, presented to the Board the financial statement audit results for the year ended December 31, 2022. She reviewed the audit process and advised the Board that no material weaknesses, significant deficiencies, or noncompliance with laws or regulations were found. The audit team received full and timely cooperation from management and staff.

Acceptance of Audited Financial Statements

Mr. Kempe noted one correction to the financial statements. Mr. Graf motioned that the Audit Committee recommend to the Board to approve the financial statements as audited by Moss Adams for the year ended December 31, 2022. Mr. Kilgore seconded the motion, and the Board unanimously accepted the financial statements, corrected as noted.

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

The Board discussed adding additional language to the resolution. Following discussion and upon motion by Mr. Kilgore and seconded by Mr. Shea, six of seven Directors present voted to approve the following resolution, amended as discussed, Mr. Anest voted "no":

BOARD RESOLUTION BR23-9

CERTIFICATE OF RESOLUTIONS AND INCUMBENCY

I, James 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 the Cooperative at a meeting held on April 27, 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) none of the following resolutions has been rescinded or modified as of this date; and (vi) the persons authorized below have been duly elected or appointed to their respective positions:

RESOLVED, that, in the event that the CEO and CFO notify the Board and the Board President or Vice President agree that an emergency exists whereby time is of the essence and whereby the Cooperative must obtain additional and immediate funding to respond to the emergency without otherwise adversely impacting the Cooperative's liquidity position, the Cooperative apply to 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 a Line of Credit Agreement, in such form as may be negotiated with CFC (the "Line of Credit Agreement"); and,

RESOLVED, that, if such application is approved by CFC, the individuals listed below, or their respective successors (immediate or otherwise) in such Office, are hereby authorized to execute and to deliver to CFC the following documents:

- a) the Line of Credit Agreement with CFC; and
- b) if required by CFC as a condition of its approval of the line of credit, as many counterparts as may be required of such documents granting CFC a security

interest in the Cooperative's property, in such form as may be negotiated with CFC.

RESOLVED, that each of the following individuals, or their respective successors (immediate or otherwise) in such Office, is hereby authorized in the name and on behalf of the Cooperative to negotiate, 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	Timothy White
Vice-President	Bruff Shea
Chief Executive Officer	Jeff Baudier
Chief Financial Officer	Dierdre Jones

Approval of Resolution BR23-13: Wolfensberger/Citadel Transmission Poles

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

BOARD RESOLUTION BR23-13

WHEREAS,

CORE Electric Cooperative ("CORE") intends to construct the Wolfensberger to Citadel 115kV Transmission Line in 2024 for the purpose of serving growing demand in Castle Rock, Colorado, and, in connection therewith, will install thirty-one (31) steel, double circuit, transmission poles; and

CORE solicited and received proposals for the supply of steel transmission poles on February 28, 2023, from three (3) pre-qualified vendors: Valmont Industries, Inc., Sabre Industries, inc., and Meyer Utility Structures, LLC; and

CORE's engineering staff and outside consultant have reviewed the technical requirements, pricing, and the required delivery schedule for all of the bids received; and

The proposal selected was submitted by Meyer Utility Structures LLC in the amount of One Million Five Hundred Ninety-Seven Thousand, Six Hundred Seven Dollars (\$1,597,607); and

CORE's engineering staff recommends an equipment contract be awarded to Meyer Utility Structures LLC for the Wolfensberger to Citadel 115kV Transmission Line; and

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

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes CORE to award an Equipment Contract to Meyer Utility Structures, LLC for the supply of steel poles required for the Wolfensberger to 115kV Transmission Line in the amount of One Million Five Hundred Ninety-Seven Thousand, Six Hundred Seven Dollars (\$1,597,607), and such additional amounts not to exceed fifteen percent (15%), if any, as may be reasonably necessary, and authorizes the Chief Executive Officer or his designee to execute such contracts as may be necessary in connection therewith.

Approval of Resolution BR23-14: New Consumer Plains Construction Contract

Mr. Baudier noted one correction to the resolution. Upon motion by Mr. Kilgore, seconded by Mr. Sperry, the Board unanimously adopted the following resolution, corrected as noted:

BOARD RESOLUTION BR23-14

WHEREAS,

CORE Electric Cooperative ("CORE") contracts with third parties to provide construction services for various new consumer line extensions throughout the service territory; and

CORE solicited and received a proposal from Ward Electric Company, Inc. for new consumer line extension construction services in the plains operating districts; and

CORE will retain discretion to bid work, assign work to a different contractor and perform work using internal resources under the terms and conditions within the proposed agreement; and

Although CORE will have no minimum obligation under the contract, it is anticipated that the work assigned under this contract may exceed One Million Dollars (\$1,000,000) per year; and

CORE's engineering staff has reviewed the technical requirements and pricing for the bids received; and

CORE's engineering staff recommends that CORE award Ward Electric Company, Inc. an agreement for 2023-2024 new consumer work in the plains operating districts; and

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

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes CORE to award Ward Electric Company, Inc. a contract for 2023-2024 new consumer line extension construction services in the plains operating districts to facilitate such installation of the facilities, and authorizes the Chief Executive Officer or his designee to execute such contracts as may be necessary in connection therewith.

Approval of Resolution BR23-15: New Consumer Mountains Construction Contract

Mr. Baudier noted one correction to the resolution. Upon motion by Mr. Kempe, seconded by Mr. Graf, the Board unanimously adopted the following resolution, corrected as noted:

BOARD RESOLUTION BR23-15

WHEREAS,

CORE Electric Cooperative ("CORE") contracts with third parties to provide construction services for various new consumer line extensions throughout the service territory; and

CORE solicited and received a proposal from Ward Electric Company, Inc. for new consumer line extension construction services in the mountain operating districts; and

CORE will retain discretion to bid work, assign work to a different contractor and perform work using internal resources under the terms and conditions within the proposed agreement; and

Although CORE will have no minimum obligation under the contract, it is anticipated that the work assigned under this contract may exceed One Million Dollars (\$1,000,000) per year; and

CORE's engineering staff has reviewed the technical requirements and pricing for the bids received; and

CORE's engineering staff recommends that CORE award Ward Electric Company, Inc. an agreement for 2023-2024 new consumer work in the mountains operating districts; and

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

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes CORE to award Ward Electric Company, Inc. a contract for 2023-2024 new consumer line extension construction services in the mountain operating districts to facilitate such installation of the facilities, and authorizes the Chief Executive Officer or his designee to execute such contracts as may be necessary in connection therewith.

Approval of Amended Board Policies

Board Policy 102

Board Policy 102 was deferred.

Board Policy 105

Upon motion by Mr. Kilgore, seconded by Mr. Kempe, the Board unanimously approved the proposed amendments to Board Policy 105, as presented.

Board Policy 108

Upon motion by Mr. Graf, seconded by Mr. Shea, the Board unanimously approved the proposed amendments to Board Policy 108, as presented.

2023 Quarterly Scorecard Review

The executive team reviewed the 2023 CORE Organization Scorecard and the performance results for Q1 with the Board.

Directors asked questions and received answers from members of the executive team.

Ms. Newsome gave a legislative update. Discussion followed.

Director Updates

There were no director updates.

Executive Session: Confidential Matters

Mr. White called for an executive session to discuss confidential matters. Upon motion by Mr. Shea, seconded by Mr. Kilgore, and carried unanimously, the Board approved an executive session. The Board convened in executive session at 11:45 a.m. with Mr. Baudier, staff members, and Perry Glantz and Ryan Sugden, legal counsel.

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

The next regular meeting will be held on May 18, 2023.