

MEETING MINUTES
Board of Directors - Regular Meeting
5496 N. U.S. Highway 85
Sedalia, Colorado
February 15, 2024

Call to Order

President Tim White called a regular meeting of the Board of Directors (“the Board”) of CORE Electric Cooperative (“CORE”) at 9:30 a.m. on February 15, 2024

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

Agenda Approval

Mr. White noted a scheduled call at 11:00 a.m. that will be taken in Executive Session. Upon motion by Mr. Graf, seconded by Mr. Kempe, 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.

Approval of Minutes of January 25, 2024, Regular Meeting

Mr. Kilgore noted one typo. Upon motion by Mr. Anest, seconded by Mr. Shea, the Board of Directors unanimously approved the January 25, 2024, meeting minutes, corrected as noted.

Approval of Write-Offs

Upon motion by Mr. Kilgore, seconded by Mr. Shea, the Board unanimously approved January write-offs for \$70,650.

Proposed Change to June 20, 2024, Board Meeting Date

Following discussion, the item Proposed Change to June 20, 2024, Board Meeting Date was deferred to the March meeting.

Presentation: Preliminary 2023 Financials and Deferred Revenue

Wade Pynes, CORE's Controller, made a presentation to the Board reviewing CORE's preliminary 2023 financial results and a deferred revenue plan. Discussion followed.

Approval of Resolution BR24-4: Deferred Revenue

Upon motion by Mr. Shea, seconded by Mr. Sperry, the Board of Directors unanimously approved Board Resolution BR24-4 as presented. Following the discussion, Mr. Anest motioned to amend the resolution by adding the language "not to exceed \$7,500,000.00" to it. Mr. Kilgore seconded the motion, and the Board unanimously approved the following resolution, amended as noted:

BOARD RESOLUTION BR24-4

WHEREAS,

The Board of Directors of CORE Electric Cooperative ("CORE") approved implementation of the Deferred Revenue Plan in 2023 to provide future rate stability for CORE's members; and

The Board of Directors desires to set rates that provide adequate margins for CORE to achieve its financial obligations and objectives; and

CORE experienced significant wholesale power cost volatility in the years 2021, 2022, and 2023; and

CORE desires to mitigate risk associated with significant wholesale power cost volatility in the year 2024 and beyond; and

Wholesale power cost volatility could adversely impact the margins of, and the rates charged by, CORE to its members; and

CORE is able to defer an amount not to exceed \$7,500,000, subject to audit, while meeting its financial obligations for the year 2023; and

The CEO and CFO recommend amending the Plan as set forth in BD24-1.

NOW THEREFORE BE IT RESOLVED by the Board of Directors, as the rate regulator and governing body of CORE Electric Cooperative, does hereby approve the following:

- 1) The deferral not to exceed \$7,500,000 of revenue for the year 2023; and
- 2) That such amounts will be deferred, funded, and subsequently recognized in a future year, in accordance with the Deferred Revenue Plan; and
- 3) That management is authorized to amend the Deferred Revenue Plan accordingly.

Approval of Resolution BR24-5: Greenland Substation T2 Construction

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

BOARD RESOLUTION BR24-5

WHEREAS,

CORE Electric Cooperative ("CORE") intends to rebuild the Greenland Substation T2 Bay to add capacity and support load growth in the area; and

Due to the project's complexity, it was determined that Colorado Powerline, Inc. was the best construction contractor for this project. Colorado Powerline's experience and proven results with similar projects on CORE's system gave us the most confidence for a successful project. Colorado Powerline, Inc. responded to the proposal without knowing they were the only bidder; and

CORE solicited and received the proposal for the rebuild of the Greenland Substation T2 Bay on January 16, 2024, from Colorado Powerline, Inc., a qualified contractor, in the amount of One Million, Seven Hundred Fifty-Three Thousand, Seven Hundred Seventeen Dollars and Three Cents (\$1,753,717.03); and

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

CORE's engineering staff recommends a construction contract be awarded to Colorado Powerline, Inc. for the rebuild of the Greenland Substation.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors authorizes CORE's Chief Executive Officer to award a contract to Colorado Powerline, Inc. for the construction of the Greenland Substation T2 Bay in the amount of One Million, Seven Hundred Fifty-Three Thousand, Seven Hundred Seventeen Dollars and Three Cents (\$1,753,717.03) and such additional amounts not to exceed fifteen percent (15%), if any, as may be reasonably necessary to complete the construction of the Greenland Substation T2 Bay consistent with such contract, and further authorizes the Chief Executive Officer or his designee to execute on behalf of CORE any documents necessary to effectuate such conveyance.

Presentation: Energy Risk Management Policies

Ms. Feuerstein reviewed the following policies and processes with the Board:

1. Energy Risk Management Policy
2. Trading Authority Policy
3. Trading Sanctions Policy
4. Credit Policy

Discussion followed.

Approval of Resolution BR24-6: Energy Risk Management Policies

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

BOARD RESOLUTION BR24-6

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 15, 2024.

WHEREAS,

CORE has determined it to be prudent and necessary to implement new policies to address the management of CORE's energy risk, the authority to execute energy related transactions, and transaction counterparty credit risk management; and

The new policies that CORE desires to implement include the following: Energy Risk Management Policy; Trading Authority Policy; Trading Sanctions Policy; and Credit Policy (collectively referred to herein as the "Energy Risk Management Policies"); and

CORE desires to implement the Energy Risk Management Policies effective immediately.

NOW, THEREFORE, BE IT RESOLVED, that based upon the presentation 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 Energy Risk Management Policies are appropriate and are in the best interests of CORE, its members, as well as its other constituencies, and (b) hereby approves and adopts the Energy Risk Management Policies; and

BE IT RESOLVED FURTHER, that the Chief Executive Officer of CORE ("Authorized Officer") is authorized, for and on behalf of CORE, to (a) implement the Energy Risk Management Policies, and (b) take all such other actions as the Authorized Officer may deem necessary or advisable in connection with the Energy Risk Management Policies, and the taking of any such actions to be deemed conclusive evidence that each of the Board and CORE has authorized such actions.

Approval of Amendments of Board Policy 112

Upon motion by Mr. Graf, seconded by Mr. Anest, the Board of Directors unanimously approved the proposed amendments to Board Policy 112, as presented.

Executive Session: Confidential Legal and Personnel Matters

Mr. White called for an executive session to discuss confidential matters. Upon motion by Mr. Kempe, seconded by Mr. Kilgore, and carried unanimously, the Board of Directors approved an executive session. The Board convened in executive session at 10:44 a.m. with Mr. Baudier, staff members, and legal counsel Perry Glantz and James Bertrand.

The executive session concluded at 1:14 p.m., and the open session resumed. No action was taken in the executive session.

Quarterly Scorecard Review

The Executive Management Team reviewed the 2023 CORE Organization Scorecard and the year-end performance results with the Board. Directors asked questions and received answers from members of the executive team.

Director Updates

There were no director updates.

Approval of Resolution BR24-7: Market Sales Power Purchase Agreement

Ms. Feuerstein stated that Board Resolution BR24-7 Market Sales Power Purchase Agreement was not required since the Board approved Board Resolution BR24-6 approving the Energy Risk Management Policies. Resolution BR24-7 was tabled.

There being no further business to discuss, President Tim White adjourned the meeting. The next regular meeting will be held on March 21, 2024.