

MEETING MINUTES
Board of Directors - Regular Meeting
5496 N. U.S. Highway 85
Sedalia, Colorado
April 25, 2024

Call to Order

President Tim White called a regular meeting of the Board of Directors (“the Board”) of CORE Electric Cooperative (“CORE”) at 9:32 a.m. on April 25, 2024.

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

Agenda Approval

Upon motion by Mr. Sperry, seconded by Mr. Anest, 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 March 21, 2024, Regular Meeting

Upon motion by Mr. Graf, seconded by Mr. Shea, the Board of Directors unanimously approved the March 21, 2024, meeting minutes as presented.

Approval of Minutes of April 11, 2024, Special Meeting

Upon motion by Mr. Shea, seconded by Mr. Sperry, the Board of Directors unanimously approved the April 11, 2024, special meeting minutes as presented.

Approval of Minutes of April 20, 2024, Annual Meeting

Mr. Graf noted one minor change to last paragraph on the first page. Upon motion by Mr. Anest, seconded by Mr. Sperry, the Board of Directors unanimously approved the April 20, 2024, meeting minutes, corrected as noted.

Approval of Write-Offs

Upon motion by Mr. Shea, seconded by Mr. Anest, the Board unanimously approved March write-offs for \$59,552.00.

Audit Committee Report

Mr. Graf presented the Audit Committee Report. He reported that the Audit Committee held its regular quarterly meeting on April 24, 2024.

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

The quarterly report from the CFO (Finance department) was presented and reviewed. No Board action required.

Auditor Presentation: Moss Adams

Julie Desimone, and Laurel Braschayko, auditors for Moss Adams, presented to the Board the financial statement audit results for the year ended December 31, 2023. They 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 complete and timely cooperation from management and staff.

Acceptance of Audited 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, 2023.

Mr. Sperry seconded the motion, and the Board unanimously accepted the financial statements, as presented.

Approval of Resolution BR24-9: KeyBank Authorized Signers

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

Board Resolution BR24-9

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, April 25, 2024.

WHEREAS,

KeyBank serves as CORE's depository institution; and

KeyBank requires a resolution by CORE's Board of Directors ("Board") to, among other things, certify the officers authorized to open and close accounts with KeyBank and to designate signers for the accounts opened with KeyBank; and

Board Document BD24-2, the KeyBank Business/Public Entity Depository Certificate, includes this resolution and others specific to the treasury management and banking services KeyBank provides to CORE; and

The Chief Executive Officer is an Authorized Officer; and

The need exists to remove Jeff Baudier and add Pam Feuerstein as an Authorized Officer.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the items Resolved in BD24-2 and authorizes the CFO to execute and deliver it to KeyBank.

Presentation: Small Qualifying Facility

Chris Hildred, CORE's Power Supply Director, made a presentation to the Board regarding a potential small qualifying facility opportunity. Discussion followed.

Approval of Resolution BR24-10: Small Qualifying Facility

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

Board Resolution BR24-10

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, April 25, 2024.

WHEREAS,

The Board received a presentation from CORE staff on April 25, 2024, outlining the addition of a Small Qualifying Facility Tariff to CORE's Rates and Regulations, in substantially the form attached hereto as BD24-3 (the "Small QF Tariff"); and

The Board finds that the Small QF Tariff is appropriate and in the best interests of CORE; and

CORE's Rates and Regulations are subject to termination, change or modification, in whole or in part, at any time by the Board.

NOW, THEREFORE, BE IT RESOLVED that the Small QF Tariff is hereby APPROVED AND ADOPTED, to take effect on July 1, 2024.

BE IT RESOLVED FURTHER, that notice of the amendments to the Rates and Regulations herein adopted shall be sent to each of CORE's members not less than thirty (30) days before these changes are to take effect in accordance with Part I, Section 2 of the General Provisions of CORE's Rates and Regulations.

Approval of Resolution BR24-11: Amendments to Trading Authority Policy

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

Board Resolution BR24-11

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, April 25, 2024.

WHEREAS,

CORE adopted a Trading Authority Policy to address the management of CORE’s energy risk at its duly called Board meeting on February 15, 2024; and

CORE has determined that efficient administration of purchases from certain small Qualifying Facilities, as defined in 18 C.F.R. 292, require updates to CORE’s Trading Authority Policy adopted on February 15, 2024, to create the following exceptions to the Board’s sole authority to buy and sell physical electric power (the “Policy Updates”):

- Authorization for CORE’s CEO to buy physical electric power, including physical electric power bundled with capacity, from Qualifying Facilities, as defined in 18 C.F.R. 292, that are located behind a CORE retail meter with individual nameplate capacity up to 500 kW through July 1, 2024; and
- Authorization for CORE staff to purchase such excess physical energy as may be available from Small Qualifying Facilities as defined in CORE’s Rates and Regulations, as amended from time to time; and

The Board desires and believes it to be in the best interests of CORE, to implement the Policy Updates effective immediately.

NOW, THEREFORE, BE IT RESOLVED, that based upon the presentation made to the Board at this meeting, the Board (a) finds that the Policy Updates are appropriate and are in the best interest of CORE and its members, as well as other constituencies, and (b) the Policy Updates are hereby APPROVED AND ADOPTED, to take effect immediately.

Presentation: Wholesale Power Cost Adjustment Procedure

Mr. Hildred made a presentation to the Board regarding a wholesale power cost adjustment procedure. Discussion followed.

Approval of Resolution BR24-12: Wholesale Power Cost Adjustment Procedure

Following the discussion, Mr. Anest motioned to amend the resolution by attaching BD24-4 therein. Mr. Graf seconded the motion, and the Board unanimously approved the following resolution, amended as noted:

Board Resolution BR24-12

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, April 25, 2024.

WHEREAS,

The Board received a presentation from CORE staff on April 25, 2024, outlining clarifications and updates to CORE's Wholesale Power Cost Adjustment Procedure (the "WPCA Procedure"); and

CORE desires to implement updates to the WPCA Procedure, as recommended by CORE's staff and shown in BD24-4, a redline (as attached) of the WPCA Procedure, effective immediately.

NOW, THEREFORE, BE IT RESOLVED, that based upon the presentation made to the Board at this meeting, the Board (a) finds that the proposed updates to the WPCA Procedure are appropriate and are in the best interest of CORE and its members, as well as other constituencies, and (b) hereby approves and adopts updates to the WPCA Procedure.

Board Document BD24-4

The Energy to Thrive™



WHOLESALE POWER COST ADJUSTMENT PROCEDURE

WHOLESALE POWER COST ADJUSTMENT (WPCA) IMPLEMENTATION

This procedure describes the inputs and calculation of the quarterly Wholesale Power Cost Adjustment rider as set forth by CORE's staff and Board of Directors (Board).

Purpose

The WPCA provides a mechanism for the Cooperative to adjust revenue collection to reflect fluctuations in the cost of power supply and related expenses based on a stated formulaic approach. The WPCA is designed to aid CORE in maintaining a sound financial position and meeting all financial criteria established by the Board of Directors or otherwise required by lenders.

The WPCA will appear as a dollar per kWh charge (or credit) on each metered consumer's monthly bill when the WPCA rate is not \$0/kWh. The WPCA reflects the incremental or decremental cost of energy compared to the baseline cost of power supply and related costs included in CORE's rates for metered electric service, as those rates may be changed or updated ~~in the future~~.

Implementation

The WPCA will be calculated in the third month of each calendar quarter ~~or in a month prior to the effective date of a general rate change, to be effective beginning in the following calendar month, following the financial close of the prior month unless CORE recognizes a significant change in costs, which merits more timely recovery.~~ More frequent calculations ~~may be made if CORE recognizes a significant change in costs from forecast which merits more timely recovery, which~~ shall require approval by the Board. Staff shall determine a WPCA rate for each calendar quarter, ~~and notify the Board of the rate to be applied for the following quarter at the normally scheduled Board meeting prior to a new WPCA rate becoming effective.~~ If a quarterly calculation results in a proposed WPCA credit or charge greater than \$0.020/kWh, Staff will request Board approval to implement a higher or lower WPCA or extend the recovery over a period to be determined by the Board.

The Board may by resolution, at its discretion, forego collection of a portion of the costs which would otherwise be recovered through the WPCA, provided that CORE's financial condition will remain sound following any such reduced recovery. In the alternative or in addition, the Board may elect to recognize deferred revenue pursuant to the Deferred Revenue Plan, as amended, in lieu of collection through the WPCA.

Calculation

The WPCA will be calculated using the following formula, with specific terms as defined below.

The sum of:

1. The forecast generation fuel, purchased power, and related costs for the recovery period projected to be over or under collected at the end of the recovery period (the Forecast Balance); and
2. The balance of fuel, purchased power, and related costs over or under collected at the beginning of the recovery period (the True-Up Amount)

Divided by:

Effective: 4/25/2024 ~~12/15/2022~~

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- CORE's forecasted sales (in kWh) subject to the WPCA for the recovery period.

Definitions

Generation fuel includes the cost of fuel consumed in electric generating plants owned, operated, or dispatched by CORE (recorded in FERC accounts 501 and 547) and costs associated with hedging activities if any.

Purchased power includes the cost of purchased energy and demand, any ancillary services or transmission of electricity by others required for delivery of such power (recorded in FERC accounts 555 or 565), less any revenue associated with sales of RECs and wholesale sales of energy, capacity, and related attributes (recorded in FERC accounts 459 or 465).

Related costs include, without limit:

- transmission of electricity by others, and
- charges for ancillary services (not included in purchased power costs),
- other costs paid to the Balancing Authority or Regional Transmission Operator, as applicable, including imbalance charges or penalties,
- costs to procure Renewable Energy Credits to meet regulatory requirements, and
- any deferred operating and maintenance or purchased power costs related to outages at generation facilities owned, operated, or dispatched by CORE,
- costs of energy management services not included in base rates,
- legal expense related to CORE's supply portfolio projected to exceed the amount included in the annual operating budget,
- incremental margin associated with supply expenses necessary to meet CORE's financial objectives as described in Appendix A to Business Administration Policy 408.

The recovery period will be the 12 calendar months beginning on the first day of the next calendar quarter, unless otherwise authorized by CORE's Board of Directors.

The Forecast Balance is the projected difference between the expected energy costs incurred and the projected revenue recovered through base rates over the recovery period.

The True-Up Amount is the difference between the actual energy costs incurred and the energy costs recovered through base rates and the WPCA in prior periods. The monthly True-Up Amount shall be tracked and amortized over subsequent recovery periods.

The average energy supply recovery included in base rates as of January 1, 2023 March 1, 2024 is \$0.05287 0.05450 per kWh. This rate will be reviewed and updated as necessary when a change to CORE's rates for electric service is updated is made, as part of the annual budget process, or if otherwise required and approved by the Board.

Management Discretion

Except as otherwise described below, CORE's Chief Executive Officer has authority to make updates to this procedure.

Effective: 4/25/2024 12/15/2022

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- Issuance of a new WPCA rate other than quarterly or coincident with the effective date of a generally applicable rate change.
- Issuance of a WPCA rate resulting in a value outside of the allowed $\pm 0.02/\text{kWh}$ range.
- Exclusion of costs otherwise recoverable through the WPCA, including recognition of deferred revenue.
- Extension of a recovery period beyond the subsequent 12 calendar months.

Effective: ~~4/25/2024~~ 12/15/2022

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Approval of Proposed Amendments to Board Policy 107

Upon motion by Mr. Kempe, seconded by Mr. Graf, the Board of Directors unanimously approved the proposed amendments to Board Policy 107, as presented.

Resource Adequacy Report Discussion

Mr. Hildred reviewed the Resource Adequacy Report with the Board. Discussion followed.

Election of Officers

The Board anonymously voted on the board officer positions of President, Vice President, Secretary-Treasurer, and Assistant Secretary-Treasurer, and the election results were read. The Board appointed the following Cooperative Directors to the following board officer positions: Mr. White as President, Mr. Shea as Vice President, Mr. Anest as Secretary-Treasurer, and Mr. Kempe as Assistant Secretary-Treasurer.

Each Director shall serve in their capacity until the next annual shareholder meeting or until such time their successor is elected and qualified.

Appointment of Audit Committee Members

The Board anonymously voted to appoint three Directors to serve on the Audit Committee, and the election results were read. The Board appointed the following three Directors to the Audit Committee: Mr. Graf, Mr. Anest, and Mr. Kilgore.

Each Director shall serve in their capacity until the next annual shareholder meeting or until such time their successor is elected and qualified.

Appointment of Compensation Committee

The Board anonymously voted to appoint three Directors to serve on the Compensation Committee, and the election results were read. The Board appointed the following three Directors to the Compensation Committee: Mr. Graf, Mr. Kempe, and Mr. Sperry.

Each Director shall serve in their capacity until the next annual shareholder meeting or until such time their successor is elected and qualified.

Quarterly Scorecard Review

The executive team reviewed the 2024 CORE Organization Scorecard and the performance results for Q1 with the Board. Directors asked questions and received answers from members of the executive team.

Interim CEO Update

Ms. Feuerstein provided an update on various industry items to the Board.

Director Updates

There were no director updates.

Executive Session: Confidential Legal and Personnel 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 11:32 a.m. with Ms. Feuerstein, staff members, and Jim Bertrand and Perry Glantz, legal counsel.

The executive session concluded at 12:02 p.m., and the open session resumed. No action was taken in the executive session.

Approval of Resolution BR24-13: Grant Application

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

Board Resolution BR24-13

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, April 25, 2024

WHEREAS,

CORE has received an Invitation to Proceed under Sec. 22004 of the Inflation Reduction Act and submit a complete application for funding under the Empowering Rural America (“New ERA”) Program; and

The New ERA Program requires the submission of a complete loan application package (the “Application”); and

CORE desires to submit the Application by the deadline for grant funding.

NOW, THEREFORE, BE IT RESOLVED, the Board (a) finds that submitting the Application is appropriate and in the best interests of CORE, its members, as well as its other constituencies, and (b) hereby approves the submission of the Application; and

BE IT RESOLVED FURTHER, that Pam Feuerstein, the Interim Chief Executive Officer of CORE (“Authorized Officer”), is authorized for and on behalf of CORE, to (a) be assigned the Representative-Signature-Certify (Rep-Sign-Cert) security role on behalf of the organization, who shall be responsible for submitting and certifying to the Rural Utilities Service, an agency of the United States Department of Agriculture, any and all data required to submit an application for funding under the Inflation Reduction Act (b) execute such documents as are necessary to complete and submit the Application, and (c) take all such other actions as the Authorized Officer may deem necessary or advisable in connection with the Application.

BE IT RESOLVED FURTHER that all shall comply with the Instructions for the Inflation Reduction Act Intake System in regard to use of the government’s application and data collection systems.

Executive Session: Confidential Legal and Personnel Matters

Mr. White called for a second executive session to discuss confidential matters. Upon motion by Mr. Graf, seconded by Mr. Anest, and carried unanimously, the Board of

Directors approved an executive session. The Board convened in executive session at 12:14 p.m. with Ms. Feuerstein.

There being no further business to discuss, President Tim White adjourned the meeting. The next regular meeting will be held on May 16, 2024.