

Minutes of Regular Board Meeting

Westminster, Colorado - Headquarters Building

June 8, 2022

Chairman and President Tim Rabon called the meeting to order at 8:01 a.m. All directors were present for all or a portion of the meeting except Rick Gordon (Mountain View). Also present for all or a portion of the meeting were the following management personnel: Chief Executive Officer Duane Highley; Chief Operating Officer Barry Ingold; Senior Vice President (Policy & Compliance/Chief Compliance Officer) Barbara Walz; Chief Administrative Officer (CAO/CHRO) Elda de la Pena; Chief Energy Innovations Officer Reg Rudolph; and Chief of Staff Bob Frankmore. Also present were Dennis Herman (Highline); David Churchwell (K.C. Electric); Jared Routh (High West); Molly Lynn (Garland); Jayson Bishop (Midwest); David Frick (Morgan County); Chance Briscoe (Northwest); Denise Barrera (Sierra); David Spradlin (Springer); Mark Gabriel and Dean Hubbuck (United); and Alan Michalewicz (White River). Also present was the following Member of a Member System: Joe Smyth (Mountain Parks). Also present were several Tri-State staff personnel, including Pam Schroeder and Marina Reite who recorded these Minutes at the request of Secretary Julie Kilty.

INTRODUCTION OF GUESTS AND VISITORS

Mr. Rabon welcomed guests and visitors in attendance and especially welcomed Kevin Thomas, the new director on the Board from High West Energy, Inc. He then requested all stand for the Pledge of Allegiance.

MEMBER/CONSUMER COMMENTS

None.

ACTION ON AGENDA

Mr. Rabon reported the Education Session on Gross Margin at Risk from the Finance and Audit Committee report will be pulled for a later date. He also reported there will be several items discussed in Executive Session, due to their confidential information or non-public financial projections, including: update on solar projects; update on potential fuel purchases;

discussion on a Load Development Rate; and update on Energy as a Service Business Plan. Mr. Rabon explained that due to confidential information the following resolutions will be pulled from the Consent Agenda for discussion in Executive Session: New Commercial Fiber Lease Agreement; Sales and Use Tax Reverse Audit; and the Bond Tender Offer. Mr. Rabon asked if there were any changes or if any additional items needed to be removed from the Agenda. Mr. Brekel requested the JL Green Transformer resolution be pulled for Board discussion.

CONSENT AGENDA

Mr. Rabon presented the Consent Agenda noting which resolutions (described above) were pulled from the Consent Agenda for Board discussion. He then asked for requests to pull any additional items. There were none.

Action: Upon motion and second, the Board unanimously approved the Consent Agenda, as presented, with the changes referenced above.

The Consent Agenda included:

a. May 6, 2022 Regular Board Meeting Minutes

b. Board Policies:

- #400 - Merger/Consolidation/Sale of Assets Policy (Note. The policy was amended to update name and verbiage.)
- #503 - Financial Goals & Capital Credits Policy (Note. The policy was amended to remove the 2021 year data from the DSR and ECR tables.)

c. Resolutions:

- Axial Basin Coal Company Milk Creek Substation Easement Authorization

RESOLVED, by the Board of Directors of TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC., acting as the parent company of Axial Basin Coal Company ("Axial"), that an easement from Axial to TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC. for electric substation facilities on property owned by Axial, and leased

by Colowyo Coal Company L.P. (Colowyo"), located along Moffat County Road 17, containing 20.73 acres, more or less, in Section 35, Township 5 North, Range 93 West, 6TH Principal Meridian, County of Moffat, State of Colorado ("Axial Property") is hereby approved, and that the Chief Executive Officer or the Chief Operating Officer is hereby authorized to execute, subject to legal review, the easement, and any related documents and agreements; and

FURTHER RESOLVED, that the Board of Directors of TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC., acting as the parent company of Colowyo, hereby approves Colowyo's execution of the easement from Axial to TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC., as to Colowyo's leasehold interest, on the property owned by Axial located within certain parts of the Axial Property, and that the Chief Executive Officer or the Chief Operating Officer is hereby authorized to execute, subject to legal review, the easement and any related documents and agreements.

- Restatement of RS Plan

RESOLVED, that the amendment, restatement, and continuance of the National Rural Electric Cooperative Association sponsored Retirement Security Pension Plans (Group 06047-001 and 06047-002), effective July 1, 2022, through the execution of the Adoption Agreement(s), which includes all of the provisions of Tri-State's most recently executed Adoption Agreement(s) is hereby authorized and is to conform in its entirety with the provisions of the new regulations, rulings, other legislation and operational changes; and

FURTHER RESOLVED, that the timing of the restatement may not correspond with regularly scheduled meetings of the Board of Directors of Tri-State Generation and Transmission Association, Inc. and that the Chief Executive Officer is hereby authorized to execute, subject to legal review, all necessary documents, and to take any and all further action necessary, to

carry out the amendment and restatement of the Retirement Security Pension Plans, effective July 1, 2022.

PRESIDENT'S REPORT

Mr. Rabon presented the President's Report. During his report he referenced the slide presentation "*Board Electronic Expense Voucher*" as he discussed the electronic expense voucher system, noting Executive Committee Members have been testing it and that the full Board will begin using it in July.

Lee Boughey, Vice President Communications, presented on Tri-State travel options available to the Board and referenced slides entitled "*Board Travel Arrangements.*" Discussion followed.

Mr. Michie reported on the Governance Review Committee's progress.

Mr. Keairns reported on the Rate Design Committee's meeting held in May. Discussion followed.

Election of New Mexico Rural Electric Cooperative Association (NMRECA) Board Member

Mr. Rabon reported that the Board needs to elect Tri-State's representative and alternate to the NMRECA Board, currently held by Mr. Connell and Mr. Baca, respectively, and both are willing to continue to serve. A motion was made and seconded to retain Mr. Connell as the representative and Mr. Baca as the alternate to the NMRECA Board. Mr. Rabon determined the motion was out of order. The Board proceeded with paper ballot nominations per Board Policy #311.

Action: The following Directors were nominated for the NMRECA representative: Mr. Connell, Mr. McCormick and Mr. Baca; both Mr. McCormick and Mr. Baca withdrew. Mr. Connell was re-elected via acclamation as the NMRECA representative.

Action: The following Directors were nominated for the NMRECA alternate: Mr. Baca, Mr. Rendon and Mr. Cooney; Mr. Rendon withdrew. Mr. Baca was re-elected by majority vote as the NMRECA alternate.

Executive Committee Report

Mr. Rabon reviewed highlights of the June 6, 2022, Meeting of the Committee, including Policy Review; Electronic Expense Vouchers Review; Chairman's Update; Consideration of Agendas; Chief Executive Officer's Report; April 2022 Financial Report; Legal Report; and General Corporate Matters.

Internal Auditor's Report

Internal Auditor John O'Flannigan reviewed copies of the written Audit Report dated June 2, 2022.

CHIEF EXECUTIVE OFFICER'S REPORT

Mr. Highley presented the Chief Executive Officer's Report. Discussion followed.

COMMITTEE REPORTS

Engineering and Operations Committee

Mr. Turner, Chairman of Tri-State's Engineering and Operations Committee, reviewed highlights of the June 7, 2022, Meeting of the Committee, including review and recommendation of the JL Green Transformer; New Commercial Fiber Lease Agreement; and the Axial Basin Coal Company Milk Creek Substation Easement Authorization. The committee also reviewed policies, heard Affiliated Organization reports and departmental reports. Mr. Turner reported that Mr. Daily joined the committee.

JL Green Transformer Resolution

Action: Following a presentation by Mr. Ingold, further explanation by Mr. Reif and comments by Dean Hubbuck, Chief Energy Resource Officer at United Power, Inc. ("United"), that the transformer purchase falls outside of the disclaimer included in United's Notice of Withdrawal and is part of the delivery assets United would have to purchase from Tri-State upon any type of departure, a motion and second were made to approve a resolution as follows:

RESOLVED, that the necessary contract or contracts with Hyundai Electric America Corporation for the procurement of one (1) transformer to be delivered to the JL Green Substation is approved, and the Chief Executive Officer is authorized to execute, subject to

legal review, said contract(s) in the amount of \$1,934,579.00, plus any applicable taxes.

The motion failed to pass, with a total of seventeen yes votes, nineteen dissents and two abstentions.

External Affairs/Member Relations Committee

Mr. Baca, as Chairman of Tri-State's External Affairs and Member Relations Committee, reviewed highlights of the June 7, 2022, Meeting of the Committee, including Policy Review; Safety Report; Annual Safety Awards; Environmental and Regulatory Activities; Legislative Review; Member Relations Report; Communications Report; Energy as a Service Presentation; and Statewide Meetings and Affiliated Organizations Reports. Mr. Baca reported that Mr. Thomas joined the committee.

Finance and Audit Committee

Mr. Brekel, Chairman of Tri-State's Finance and Audit Committee, reviewed highlights of the June 7, 2022, Meeting of the Committee, including review and recommendation of the Sales and Use Tax Reverse Audit; Restatement of RS Plan; and Bond Tender Offer. The Committee also reviewed the May Financial Statements; 2022 Q1 Variance Report; Finance Update; Investment Report; Enterprise Risk Management Update; and Energy Risk Management Update.

GENERAL COUNSEL REPORT

Mr. Reif advised that the General Counsel Report would occur in Executive Session due to confidential information.

He also advised that the Board act to approve today's agenda, as presented, with the changes described and discussed earlier.

Action: Upon motion and second, the Board unanimously adopted the Order of Business, as presented, with the changes referenced earlier.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Several Directors thanked Tri-State staff for attending their Board Meetings/Annual Meetings. Mr. Baca mentioned that Mora-San Miguel Electric Cooperative, Inc.'s Annual Meeting is being canceled due to the fires and thanked staff for providing support to the community.

EXECUTIVE SESSION

Mr. Rabon informed the Directors of the need to go into Executive Session to consider confidential business matters.

Action: Upon motion and second, the Board unanimously approved going into Executive Session to consider confidential business matters.

The Executive Session commenced at 10:11 a.m. and adjourned at 1:47 p.m.

OPEN SESSION RESUMED

Mr. Rabon reported during Executive Session that the Board approved the Load Development Rate; Sales and Use Tax Reverse Audit; Bond Tender Offer; and the New Commercial Fiber Lease Agreement.

ADJOURNMENT

Action: It being 1:55 p.m. and there being no further business to transact, it was the consensus of the Directors that the Meeting be adjourned and the next Regular Meeting of the Board is scheduled to be held on July 8, 2022.

Julie Kilty
Julie Kilty (Jul 8, 2022 15:50 MDT)

Secretary

APPROVED:

Timothy A. Rabon
Timothy A. Rabon (Jul 8, 2022 14:45 MDT)

Chairman and President