

Minutes of Regular Board Meeting

Westminster, Colorado - Headquarters Building

March 2, 2022

Chairman and President Tim Rabon called the meeting to order at 8:31 a.m. All directors were present for all or a portion of the Meeting. Also present for all or a portion of the Meeting were the following management personnel: Chief Executive Officer Duane Highley; Senior Vice President (Generation) Barry Ingold; Senior Vice President (General Counsel) Ken Reif; Senior Vice President (Transmission) Joel Bladow; Senior Vice President (Chief Financial Officer) Pat Bridges; Senior Vice President (Energy Management) Brad Nebergall; Senior Vice President (Policy & Compliance/Chief Compliance Officer) Barbara Walz; Senior Vice President (CTO and Member Relations) Jennifer Goss; and Senior Vice President (People and Culture/CHRO) Elda de la Pena. Also present were Alvin Harimon (Chimney Rock); Alena Brandenberger (Central New Mexico); Jared Routh (High West); Dennis Herman (Highline); Kirsten Skeehan (La Plata); Jayson Bishop (Midwest); David Frick (Morgan County); Chance Briscoe (Northwest Rural); Mario Romero (Otero); Jeff Wadsworth (Poudre); Brad Zaporski (San Miguel); David Spradlin (Springer); Mark Gabriel and Dean Hubbuck (United); Lacey Gulbranson (Wheat Belt); Ryan Schilreff (Wyrulec) and Trent Loutensock (Y-W). Also present was the following Member of a Member System: Joe Smyth (Mountain Parks). Also present for the meeting were the following guests from PricewaterhouseCoopers: Arsen Akopian, Mark Hoffman, Hannah Jeffers and Blair Van den Berg and the following guests from Ernst & Young, David Barringer and Milan Fillmore. Also present were several Tri-State staff personnel, including Pam Schroeder who recorded these Minutes at the request of Secretary Julie Kilty.

COVID-19 UPDATE

Mr. Ingold reported the COVID-19 risk mitigation level was reduced to the Low Risk Level throughout all Tri-State facilities.

## INTRODUCTION OF GUESTS AND VISITORS

Mr. Rabon welcomed guests and visitors in attendance and requested all stand for the Pledge of Allegiance.

## MEMBER/CONSUMER COMMENTS

None.

## ACTION ON AGENDA

Mr. Rabon noted the Financial, Accounting and Human Resource Systems Capital Project Authorization resolution listed under the Consent Agenda and the Confidential Load Development Retention Opportunity listed under the Executive Session were both removed from the Agenda. He reported there will be an Executive Session to discuss several confidential business matters and confidential non-public financial projections, including the Ernst & Young Audit Report listed under the Chairman's Report and the Cybersecurity Report listed under the CEOs Report.

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

## CONSENT AGENDA

Mr. Rabon presented the Consent Agenda and noted as previously stated the Financial, Accounting and Human Resource Systems Capital Project Authorization resolution was removed from the Consent Agenda. He asked if there were any changes or if any additional items needed to be removed. Mr. Wilson requested the Agreement for design and construction of the Glendo-Quinn Creek-Lusk Rural Tap Upgrades and new Quinn Creek Substation with Western Area Power Administration resolution be removed for further discussion and Mr. Brekel requested the Credit Facility resolution also be removed, due to a possible conflict of interest with a Director.

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

The Consent Agenda included:

- a. February 2, 2022 Regular Board Meeting Minutes.

b. Resolution:

- Craig 2 SCR Catalyst Capital Project Authorization

RESOLVED, that Capital Project No. 2791, Craig 2: Add 4th Layer of SCR Catalyst, for Tri-State's share of \$458,555.28, is hereby added to the 2022 Capital Budget.

PRESIDENT'S REPORT

Mr. Rabon presented the President's Report. Discussion followed.

Lee Boughey, Vice President Communications, referred to the presentation "2022 Tri-State Annual Meeting" as he gave a preview of the upcoming Annual Meeting. He discussed, among other things, the registration process, schedule, security and key contacts. Discussion followed.

Mr. Keairns discussed the Rate Design Committee's first meeting, which was held in February.

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

Executive Committee Report

Mr. Rabon reviewed highlights of the February 28, 2022, Meeting of the Committee, including Policy Review; Chairman's Update; Action on Compensation Discussion and Analysis for Inclusion on 2021 Annual Report on Form 10-K; Consideration of Agendas; CEO's Report; January 2022 Financial Report; Legal Report; Review of Credit Card Statements and Directors' Expense Vouchers and General Corporate Matters.

Internal Auditor's Report

Internal Auditor John O'Flannigan reviewed copies of the written Audit Report dated February 25, 2022.

Colorado River Energy Distributors Association ("CREDA") Discussion

Mr. Rabon advised over the next several months the Board will review each of Tri-State's Affiliated Organizations, to gain a better understanding of them, with CREDA being discussed

today. Mr. Michie gave a brief history of CREDA, the benefits of CREDA and Tri-State's role in CREDA. Mr. Rabon reported Mr. Michie has indicated he would like to step down as the Tri-State representative at CREDA and noted in May the Board will act on this matter. Discussion followed.

#### Expense Voucher Discussion

Mr. Rabon reported the virtual expense voucher system is still a work in progress but is hopeful it will be up and running within the May/June timeframe.

#### CHIEF EXECUTIVE OFFICER'S REPORT

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

#### Micro-Grid Discussion

Jeff Wadsworth, President and CEO of Poudre Valley Rural Electric Association, Inc. ("PVREA"), referred to the presentation "*Red Feather Lakes Microgrid*" as he discussed PVREA's installation of a microgrid in the Red Feather Lakes Community. He noted the microgrid creates resiliency for a community that has often lost power due to severe weather events and fires. Mr. Wadsworth also discussed critical community services the microgrid supports, project partners, microgrid load, microgrid assets, operation of the microgrid and project costs and takeaways. Discussion followed.

#### COMMITTEE REPORTS

##### Engineering and Operations Committee

Mr. Turner, as Chairman of Tri-State's Engineering and Operations Committee, reviewed highlights of the March 1, 2022, Meeting of the Committee, including review and recommendation of the Agreement for design and construction of the Glendo-Quinn Creek-Lusk Rural Tap Upgrades and new Quinn Creek Substation with Western Area Power Administration and the Craig 2 SCR Catalyst Capital Project Authorization. The committee also reviewed policies and heard Affiliated Organization reports and departmental reports.

##### Agreement for design and construction of the Glendo-Quinn Creek-Lusk Rural Tap Upgrades and new Quinn Creek Substation with Western Area Power Administration

Action: Following an explanation by Mr. Bladow and upon motion and second the Board unanimously approved a resolution as follows:

RESOLVED, that the design and construction of the Glendo-Quinn Creek-Lusk Rural Tap Upgrades and a new Quinn Creek Substation ("Glendo-Quinn Creek-Lusk Rural Tap Project"), of which Tri-State's share is estimated to be \$15,445,000.00, is approved, and that the Chief Executive Officer is authorized to execute, subject to legal review, the necessary agreement(s) between Tri-State Generation and Transmission Association, Inc. and Western Area Power Administration for the Glendo-Quinn Creek-Lusk Rural Tap Project, and that the agreement(s) may be subject to FERC acceptance and approval.

External Affairs/Member Relations Committee

Mr. Michie, Chairman of Tri-State's External Affairs and Member Relations Committee, reviewed highlights of the March 1, 2022, Meeting of the Committee, including Policy Review, 2021 Energy Efficiency/Beneficial Electrification Year in Review Presentation and Statewide Meetings Reports.

Board Policy #406 (Requests for Tri-State Information)

Action: Following explanation by Mr. Michie of a recommended proposed change from the Committee and upon motion and second the Board unanimously approved the proposed change to Board Policy #406 (Requests for Tri-State Information).

(Note. The Policy was amended in "Section E - Information Authorized by Employee" to update verbiage.)

Mr. Michie then called upon staff to provide additional reports.

Ms. Walz presented the Safety Report, Environmental and Regulatory Activities Report and Government Relations Report. Discussion followed.

Ms. Goss presented the Member Relations Report and Communications Report.



## Finance and Audit Committee

Mr. Brekel, Chairman of Tri-State's Finance and Audit Committee, reviewed highlights of the March 1, 2022 Meeting of the Committee, including review and recommendation of these items: Deferred Revenue; Patronage Capital Allocation and Credit Facility. The committee also reviewed policies, the SEC Form 10-K, the Ernst & Young Audit Results and Reports, Master Indenture and 2021 Financial Results, and heard Affiliated Organization reports and departmental reports.

### Credit Facility

Prior to discussion of the matter, Mr. Abel recused himself from participating in the deliberation and any vote. Mr. Abel left the room and returned after the discussion and vote were completed.

Action: Following an explanation by Mr. Bridges and upon motion and second the Board approved a resolution as follows:

RESOLVED, that there is hereby approved an amendment and extension or an amendment and restatement by Tri-State Generation and Transmission Association, Inc. of the Credit Agreement, dated April 25, 2018 ("2018 Credit Agreement" as amended pursuant to this resolution hereinafter referred to as the "Amended 2018 Credit Agreement") with aggregate commitments from all lenders party to the Amended 2018 Credit Agreement (each a "Lender") not to exceed \$600 million (which amount may be increased by an amount of \$100 million) including the ability to issue letters of credit and same-day swingline loans, subject to the terms and conditions of the Amended 2018 Credit Agreement and sublimits as may be appropriate, with National Rural Utilities Cooperative Finance Corporation ("CFC") as the lead arranger (in such capacity, the "Lead Arranger") and administrative agent (in such capacity, the "Administrative Agent"), and with other roles and titles to be appointed to other Lenders or their affiliates, as determined to be necessary or desirable by the Chairman and President, the Vice Chairman and or any other appropriate officer or the Chief Executive Officer, or the Senior Vice President and Chief

Financial Officer of Tri-State Generation and Transmission Association, Inc. (each an "Authorized Signer"), acting alone or together; and

FURTHER RESOLVED, that the Authorized Signers are each authorized and directed, acting alone or together, to execute and deliver, subject to legal review, (1) an amendment to the 2018 Credit Agreement or an amended and restated credit agreement, including schedules and exhibits thereto, (2) appropriate engagement letters and fee letters, (3) one or more promissory notes or amended and restated promissory notes (the "Secured Notes"), (4) any other documents, instruments, and agreements required in connection with the amendment of the 2018 Credit Agreement, (5) any other documents required in connection with the continued appointment of CFC as Lead Arranger and Administrative Agent for the Amended 2018 Credit Agreement, (6) any other documents required in connection with appointing one or more other Lenders or their affiliates with other roles or titles as may be determined to be necessary or desirable, and (7) any other document or agreement required in connection with the establishment of the Secured Notes as Secured Obligations or amendment of the existing Secured Obligation for the 2018 Credit Agreement under the Master First Mortgage Indenture, Deed of Trust and Security Agreement, between Tri-State Generation and Transmission Association, Inc. and US Bank National Association, as successor trustee, amended restated and effective as of December 15, 1999, as previously amended and supplemented ("Master Indenture"), all in the name and on behalf of Tri-State Generation and Transmission Association, Inc. and in such form as the Authorized Signer executing the same determines to be necessary or appropriate; and

FURTHER RESOLVED, that the proceeds from the Amended 2018 Credit Agreement shall be used for working capital, capital expenditures and other corporate purposes, including payment of commercial paper at maturity; and

FURTHER RESOLVED, that, pursuant to the Amended 2018 Credit Agreement, Tri-State Generation and Transmission Association, Inc. is authorized to borrow and repay revolving credit loans, including swingline loans, from the Lenders, and to request issuances of letters of credit by the Lenders, in an aggregate amount not to exceed \$600 million (which amount may be increased by an amount of \$100 million), subject to the terms and conditions of the Amended 2018 Credit Agreement, at any one time outstanding and from time to time on such date or dates, in such amount or amounts, with such maturity date or maturity dates and with such interest rate or interest rates as the Authorized Signers, acting alone or together, shall determine to be necessary or appropriate; and

FURTHER RESOLVED, that the Authorized Signers be, and each of them hereby is, acting alone or together, authorized, empowered and directed, in the name and on behalf of Tri-State Generation and Transmission Association, Inc., to prepare, execute and deliver the Supplemental Master Mortgage Indenture No. 44 to the Master Indenture relating to the Amended 2018 Credit Agreement, and all such certifications, opinions, requests for authentication and other documents and instruments as may be necessary or desirable in connection with such Secured Notes or the Supplemental Master Mortgage Indenture No. 44; and

FURTHER RESOLVED, that the trustee under the Master Indenture is hereby authorized and instructed to authenticate the Secured Notes as Secured Obligations or amendment of the existing Secured Obligation for the 2018 Credit Agreement, and each such Secured Obligation to be secured under and entitled to the benefit of the Master Indenture, on a parity with all other Secured Obligations outstanding under the Master Indenture, and the Tri-State Generation and Transmission Association, Inc. Board of Directors hereby approves and authorizes such Secured Obligations as the obligations of Tri-State Generation and Transmission Association, Inc.; and



FURTHER RESOLVED, that the Secretary of the Board of Directors and any other Authorized Signer is hereby authorized and directed to certify to the correctness of these Resolutions to the trustee of the Master Indenture, the Lead Arranger, the Administrative Agent, the Lenders and any other persons as may be necessary or desirable to fulfill the purposes and intent of these Resolutions and to take any actions and to execute and deliver in the name of Tri-State Generation and Transmission Association, Inc., such other certificates, documents and instruments as may be necessary or desirable to fulfill the purposes and intent of these Resolutions.

#### EDUCATIONAL SESSION

Mr. Nebergall and Dan Walter, Vice President Energy Markets, referred to the presentation "*Educational Session: Renewable Energy Credits*" as they discussed the following items: Definition of Renewable Energy Credits; Tracking Systems; WREGIS 2020 Statistics; Other Certificates & Products; Renewable Compliance Obligations; Tri-State Renewable Statistics; REC Inventory; REC Market; Rate Schedule R and Policy 117 and Polling Results from October Member CEO Meeting. Discussion followed.

#### GENERAL COUNSEL REPORT

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

#### UNFINISHED BUSINESS

None.

#### NEW BUSINESS

None.

#### EXECUTIVE SESSION

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

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

The Executive Session commenced at 12:27 p.m., immediately followed by a lunch break, and adjourned at 4:24 p.m.

OPEN SESSION RESUMED

Mr. Rabon reported that during Executive Session the Board unanimously approved the Patronage Capital Allocation resolution, the Deferred Revenue resolution and the Rifle Generating Station CoPUC Filing Authorization resolution.

ADJOURNMENT

Action: It being 4:26 p.m. and there being no further business to transact, it was the consensus of the Directors that the Meeting should be adjourned and the next Regular Meeting of the Board is scheduled to be held on April 6, 2022, following the 2022 Tri-State Annual Meeting.

  
Secretary

APPROVED:

  
Chairman and President