

Minutes of Regular Board Meeting

Virtual Meeting

November 3, 2021

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, except Bruce Duran (Jemez) and Bill Wilson (Niobrara). 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 Mike McBride (Gunnison); Darick Eisenbraun (High Plains); Dennis Herman (Highline); David Churchwell (K.C.); Jessica Matlock (La Plata); Jayson Bishop (Midwest); Les Montoya (Mora-San Miguel); Shawna Glendy (Niobrara); Chance Briscoe (Northwest Rural); Jeff Wadsworth (Poudre); Mario Romero (Otero); David Spradlin (Springer); Mark Gabriel and Dean Hubbuck (United); Lacey Gulbranson (Wheatbelt); Alan Michalewicz (White River); Ryan Schilreff (Wyrulec). 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 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 requested all stand for the Pledge of Allegiance.

MEMBER/CONSUMER COMMENTS

None.

ACTION ON AGENDA

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

CONSENT AGENDA

Mr. Rabon presented the Consent Agenda and asked if there were any changes or if any items needed to be removed, there were none.

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

The Consent Agenda included:

- a. October 6, 2021 Regular Board Meeting Minutes.
- b. Suspend Member Payment Deferral Application Approval:
 - Approved suspending the Payment Deferral Application effective immediately. The Payment Deferral Application process may be re-introduced in the future if the need arises.
- c. Resolutions:

- San Miguel Enhancement Project Pipeline Engineering Contract Authorization

RESOLVED, that a contract with Rooney Engineering, Inc. (d/b/a Tetra Tech Rooney) in the approximate amount of \$564,393.00, to perform feasibility, engineering and permitting consulting services for a pipeline system between the New Horizon Mine and Nucla Station is approved, and that the Chief Executive Officer is hereby authorized to execute, subject to legal review, said contract.

- Carbon Power & Light Policy #115 Contract Authorization

RESOLVED, that a Member Project Contract between Tri-State Generation and Transmission Association, Inc. and Carbon Power & Light, Inc. related to the output of the 490 kW (AC) 9H Research Foundation Solar Project is approved, and that the Chief Executive Officer is hereby authorized to execute the contract, subject to legal and technical review, for a twenty (20)

year term, and that the contract may be subject to FERC acceptance and approval.

- Burlington-Lamar - Eminent Domain Authorization

RESOLVED, that the Chief Executive Officer is hereby authorized and directed to continue negotiations for acquisition of property interests necessary for construction, operation and maintenance of transmission facilities involving the Burlington-Lamar Transmission Line, at either 230 kV or 345 kV ("Transmission Line"), located in Kit Carson, Cheyenne, Kiowa and Prowers Counties, Colorado; and

FURTHER RESOLVED, that in the event of an inability to successfully negotiate for the acquisition of necessary property interests in any parcel of property to be crossed by the Transmission Line or associated access as set forth herein as determined by the Chief Executive Officer, the Chief Executive Officer is hereby authorized to do all things necessary to commence and complete condemnation proceedings for the acquisition of any or all of said property or easements as set forth above, and further that the Chief Executive Officer is directed and authorized to execute any and all documents necessary to accomplish such purpose.

- Torreon 115/69 kV Transformer

RESOLVED, that the necessary contract or contracts with Hyundai Electric America Corp. for one (1) 115-69 kV transformer rated at 15/20/25 MVA to be delivered to Torreon Substation is approved, and that the Chief Executive Officer is hereby authorized to execute, subject to legal review, said contract(s) in the amount of \$929,004.00, plus any applicable taxes.

PRESIDENT'S REPORT

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

Mr. Ingold provided an update on the COVID-19 risk mitigation level at Headquarters, noting that it has been moved

to the High Risk Level through at least December 3, 2021, due to linked cases at the facility.

Executive Committee Report

Mr. Rabon reviewed highlights of the November 1, 2021, Meeting of the Committee, including Policy Review; Chairman's Update; Consideration of Agendas; CEO's Report; September 2021 Financial Report; Legal Report; and General Corporate Matters.

Internal Auditor's Report

Internal Auditor John O'Flannigan furnished to and reviewed copies of the written Audit Report dated October 28, 2021.

CHIEF EXECUTIVE OFFICER'S REPORT

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

Mr. Highley noted the 2022 Draft Budget discussion, as listed on the agenda, will occur in Executive Session, due to the confidential nature of the forward financial projections.

COMMITTEE REPORTS

External Affairs/Member Relations Committee

Mr. Michie, Chairman of Tri-State's External Affairs and Member Relations Committee, noted the committee met on November 2, 2021 and then called upon staff to provide reports.

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

Lee Boughey, Vice President Communications, 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 November 2, 2021 Meeting of the Committee, including Policy Review; Third Quarter 10-Q Review; Ernst & Young Third Quarter 10-Q Review Results; Investment Report; Finance Update; Discussion of Patronage Return; 2021 Insurance Review; Action on Suspending Member Payment Deferral Application; Action on Load Development and Retention Rate Contract; Action on Recognition of Deferred

Revenue in the Third Quarter 2021; Energy Risk Management Update; and Other Business.

Mr. Brekel noted the Recognition of Deferred Revenue and Load Development and Retention Rate Contract items listed on the agenda will be discussed in Executive Session, due to confidential financial information.

Engineering and Operations Committee

Mr. Turner, as Chairman of Tri-State's Engineering and Operations Committee, reviewed highlights of the November 2, 2021, Meeting of the Committee, including review and recommendation on these matters: San Miguel Project Pipeline Engineering Contract Authorization; Carbon Power & Light Policy #115 Contract Authorization; Burlington-Lamar - Eminent Domain Authorization; Torreón 115/69kV Transformer purchase. The committee also heard Affiliated Organization reports and departmental reports.

GENERAL COUNSEL REPORT

Mr. Reif provided an update on the Modified Contract Termination Payment Methodology filing at FERC, noting FERC issued an order accepting the filing, bypassing the settlement process and designating an Administrative Law Judge to the case. He advised there is no date for the hearing yet, but the case has been put on the expedited Track I Schedule.

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.

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

The Executive Session commenced at 10:08 a.m. and adjourned at 12:06 p.m.

Mr. Rabon reported that during Executive Session the Board discussed the Load Development and Retention Contract and Recognition of Deferred Revenue, but votes will occur in Open Session.

Load Development and Retention Rate Contract

Action: Upon motion and second, the Board approved a new Load Development and Retention Rate Contract between High West Energy, Inc. and Tri-State Generation and Transmission Association, Inc., subject to legal review and FERC approval; with Messrs. Shaw, McCormick and Cooney dissenting.

Recognition of Deferred Revenue

Action: Upon motion and second, the Board approved a resolution as follows, with Messrs. Bledsoe and Abel dissenting:

RESOLVED, that Tri-State staff is authorized to recognize previously deferred revenue held as regulatory liabilities in an amount of \$8,574,205.00 in the third quarter of 2021, which is the estimated amount for the third quarter of 2021 to meet the 2021 Debt Service Ratio goal for the year ended December 31, 2021.

ADJOURNMENT

Action: It being 12:14 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 December 8, 2021.


Secretary

APPROVED:


Chairman and President