

Minutes of Regular Board Meeting

Westminster, Colorado - Headquarters Building

October 5, 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 Carl Trick (Mountain Parks). 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 Peña; Chief Energy Innovations Officer Reg Rudolph; and Chief of Staff Bob Frankmore. Also present were Russell Waldner (Carbon); Josh Dellinger (Empire); Molly Lynn (Garland); Darick Eisenbruan (High Plains); Jared Routh (High West); Dennis Herman (Highline); David Churchwell (K.C. Electric); Jessica Matlock (La Plata); Jayson Bishop (Midwest); David Frick (Morgan County); Ruth Marks (Mountain View); Shawna Glendy (Niobrara); Chance Briscoe (Northwest); Mario Romero (Otero); Jeff Wadsworth (Poudre); Ryan Elarton (San Isabel); Brad Zaporski (San Miguel); Denise Barrera (Sierra); David Spradlin (Springer); Mark Gabriel, Dean Hubbuck and Laurie Burkhart (United); Lacey Gulbranson (Wheatbelt); Bob Brockman (Wheatland); Alan Michalewicz (White River); Ryan Schilreff (Wyrulec) and Trent Loutenscok (Y-W). Also present was the following Member of a Member System, Joe Smyth (Mountain Parks), and the following guests, Tom Dougherty and Ken Rossman from Lewis Roca. 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 and requested all stand for the Pledge of Allegiance.

MEMBER/CONSUMER COMMENTS

None.

ACTION ON AGENDA

Mr. Rabon noted due to confidential information the Oracle System Implementation Contract Authorization Resolution would be moved from the consent agenda for consideration in Executive Session. Mr. Rabon asked if there were any additional changes to the Agenda. There were none.

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

CONSENT AGENDA

Mr. Rabon presented the Consent Agenda as revised. Mr. Wilson requested the Torreon 115/69kV Transformer Addition Construction Contract Authorization Resolution be pulled for further discussion.

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

The Consent Agenda included:

a. September 8, 2022 Board Meeting Minutes

b. Resolution:

- Generation Thermal Performance Monitoring Contract Authorization

RESOLVED, that one or more contracts with EtaPRO LLC in the approximate amount of \$695,765.00, plus any applicable taxes, for the licensing, implementation and on-going support of a thermal performance monitoring solution, is approved, and that the Chief Executive Officer is authorized to execute, subject to legal review, said contract(s).

PRESIDENT'S REPORT

Mr. Rabon presented the President's Report.

Executive Committee Report

Mr. Rabon reviewed highlights of the October Meeting of the Committee, including Policy Review; Chairman's Update; Consideration of Agendas; Chief Executive Officer's Report; August 2022 Financial Report; Legal Report and review of Credit Card Statements and Directors Expense Vouchers.

Mr. Rabon called upon Mr. Michie to report on Governance Review Committee activity.

Mr. Rabon called upon Mr. Keairns to report on the Rate Design Committee.

Committee Meeting Schedule

Mr. Rabon reported that beginning next month, aside from the first committee meeting scheduled, subsequent committee meetings will start half an hour after the prior committee meeting concludes. Participants will be notified when a committee meeting adjourns, so they will know when the next meeting begins, and there will be a standing lunch break at 12:00 p.m.

Tri-State Board Meeting Schedule 2023

Mr. Rabon reviewed the proposed 2023 Board Meeting Schedule noting that four of the meetings (January, June, September and November) will be held virtually, with the remainder of the meetings to be held in person. He also reported there would be no committee meetings during the months when there are virtual meetings.

Motion: It was moved and seconded that the Board accept the 2023 schedule as presented. Discussion followed.

First Amendment: It was moved and seconded to amend the motion to change the November virtual meeting to an in-person meeting, thus having three virtual meetings in 2023 in January, June, and September. Discussion followed.

Second Amendment: It was moved and seconded to amend the first amendment to hold two virtual meetings in 2023, in January and June, and to change the September and November virtual meetings to in-person meetings. Discussion followed.

- Action: Mr. Rabon asked for a vote on the second amendment, which failed to pass.
- Action: Mr. Rabon asked for a vote on the first amendment, which was approved by majority vote.
- Action: Mr. Rabon then asked for a vote on the original motion as amended to accept the 2023 Board Meeting Schedule with three virtual one-day meetings in January, June and September, which passed with Messrs. Anaya and Hoskins dissenting.

Basin Electric Power Cooperative ("Basin") Director Election

Mr. Rabon informed the Board that the three-year term for the Basin Electric Power Cooperative ("Basin") District 5 director, currently held by Mr. Brekel, would soon expire. On his behalf as Chairman, Mr. Rabon asked Julie Rech, Deputy General Counsel, to officiate a caucus to elect a director for the next three-year term. Ms. Rech engaged those Tri-State directors who are also directors of Basin Class C members in the election process: Mr. Bridges (Big Horn Rural Electric Company), Mr. Thompson (Carbon Power & Light, Inc.), Mr. Connell (Central New Mexico Electric Cooperative, Inc.), Mr. Propp (Chimney Rock Public Power District), Mr. Keeler (Columbus Electric Cooperative, Inc.), Mr. Hoskins (Continental Divide Electric Cooperative, Inc.), Mr. Fetterman (Empire Electric Association, Inc.), Ms. Ruble (Garland Light & Power Company), Mr. Brown (High Plains Power, Inc.), Mr. Thomas (High West Energy, Inc.), Mr. Brekel (Highline Electric Association), Mr. Duran (Jemez Mountains Electric Cooperative, Inc.), Mr. Bledsoe (K.C. Electric Association), Mr. McInnis (La Plata Electric Association, Inc.), Mr. Baca (Mora-San Miguel Electric Cooperative, Inc.), Mr. Graff (Morgan County Rural Electric Association), Mr. Gordon (Mountain View Electric Association, Inc.), Mr. Wilson (Niobrara Electric Association, Inc.), Mr. Bear (Northwest Rural Public Power District), Mr. Rabon (Otero County Electric Cooperative, Inc.), Mr. Zochol (Panhandle Rural Electric Membership Association), Mr. Michie (Poudre Valley Rural Electric Association, Inc.), Mr. Keairns (San Isabel Electric Association, Inc.), Mr. Cooney (San Miguel Power Association, Inc.), Mr. Anaya (Socorro Electric Cooperative, Inc.), Mr. Turner (The Midwest Electric Cooperative Corporation), Mr. McCormick (United Power, Inc.), Mr. Morgan (Wheatbelt Public Power District), Mr. Finnerty (Wheatland Rural

Electric Association), Mr. Hilkey (White River Electric Association, Inc.) and Mr. Schenk (Y-W Electric Association, Inc.). Although Mountain Parks Electric, Inc. is a Class C member of Basin, Mr. Trick was not present and did not participate in the caucus. Three qualified individuals were nominated: Mr. Brekel, Mr. Connell, and Mr. Finnerty. Mr. Brekel prevailed by receiving a majority of votes.

Action: Pursuant to the above described caucus process, Mr. Brekel was elected as the director to represent District 5 on the Basin Electric Power Cooperative board of directors for a three-year term beginning on November 10, 2022.

Internal Auditor's Report

Internal Auditor John O'Flannigan reviewed copies of the written Audit Report dated September 27, 2022.

CHIEF EXECUTIVE OFFICER'S REPORT

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

Mr. Highley noted the IT Report would be given in Executive Session due to sensitive financial information.

Copper Theft Report

David Sayles, Senior Manager ERM and Chief Security Officer, referred to the slide presentation "*2022 Copper Theft Coordination*" as he discussed the ongoing issue of copper theft in Tri-State's service territory; coordination efforts between Tri-State, Members and law enforcement to mitigate the thefts; and a recent investigation and arrest. Discussion followed.

Flight Operations Update

Mr. Ingold referred to the presentation "*Tri-State Flight Operations*" as he discussed the History of Tri-State's Flight Operations; Aircraft History; Historical Utilization; Current Utilization; Current Aircraft Valuation; Safety Awards & Achievements; and Flight Department Budget/Costs. Discussion followed.

COMMITTEE REPORTS

Engineering and Operations Committee

Torreon 115/69kV Transformer Addition Construction Contract Authorization

This item was removed from the Consent Agenda for further discussion. Chris Pink, Vice President Transmission Engineering, referred to the slide presentation "*Torreon 115/69kV Transformer Addition: Construction Contract Authorization*" as he discussed the purpose and need for the construction and the scope of work. Discussion followed.

Action: A motion was made and seconded to table the Torreon 115/69kV Transformer Addition Construction Contract Authorization. The motion failed to pass.

Action: After further discussion, and upon motion and second, the Board approved a resolution as follows, with Mr. Duran dissenting:

RESOLVED, that a contract with Addison Construction Co. in the approximate amount of \$782,992.00, plus any applicable taxes, for construction work at the Torreon Substation is approved, and the Chief Executive Officer is authorized to execute, subject to legal review, said contract.

Mr. Turner, Chairman of Tri-State's Engineering and Operations Committee, then reviewed highlights of the October Meeting of the Committee, including review and recommendation of the Oracle System Implementation Contract Authorization, Generation Thermal Performance Monitoring Contract Authorization and Torreon 115/69kV Transformer Addition Construction Contract Authorization. The committee also heard Affiliated Organization reports and departmental reports.

External Affairs/Member Relations Committee

Mr. Baca, Chairman of Tri-State's External Affairs and Member Relations Committee, reviewed highlights of the October Meeting of the Committee, including the Safety Report; Environmental and Regulatory Activities; Legislative Review; Communications and Energy Services Reports; Discussion on Director Donations made Pursuant to Board Policy #310 (Education Session; and Statewide Meetings and Affiliated Organizations Reports. Discussion followed.

Finance and Audit Committee

Mr. Brekel, Chairman of Tri-State's Finance and Audit Committee, reviewed highlights of the October Meeting of the Committee, including Policy Review; August Financial Statements; Finance Update; Investment Report; Energy Risk Management Update; and Discussion of Board Policy #503 (Financial Goals & Capital Credits Policy).

GENERAL COUNSEL REPORT

Ms. Rech reminded all Directors to complete the quarterly Interlocking Directorates Short Form.

She also advised that the Legal 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.

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

The Executive Session commenced at 11:15 a.m. and adjourned at 2:57 p.m.

OPEN SESSION RESUMED

Mr. Rabon reported during Executive Session the Board approved the Oracle System Implementation Contract Authorization Resolution and to adjust financial goals for 2022.

ADJOURNMENT

Action: It being 3:04 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 virtually on November 2, 2022.

Julie Kilty
Julie Kilty (Nov 3, 2022 07:02 MDT)

Secretary

APPROVED:

Timothy A. Rabon
Timothy A. Rabon (Nov 2, 2022 13:14 MDT)

Chairman and President