

Minutes of Regular Board Meeting

Westminster, Colorado - Headquarters Building

August 3, 2022

Chairman and President Tim Rabon called the meeting to order at 8:00 a.m. All directors were present for all or a portion of the meeting except Mark Daily (Gunnison). 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 (General Counsel) Ken Reif; 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 Molly Lynn (Garland); Darick Eisenbruan (High Plains); Dennis Herman (Highline); David Churchwell (K.C. Electric); Jayson Bishop (Midwest); Shawna Glendy (Niobrara); Chance Briscoe (Northwest); Jeff Wadsworth (Poudre); David Spradlin (Springer); Dean Hubbuck (United); Bob Brockman (Wheatland); 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 guest, Erick Anderson (CFC). 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. He then noted it would be Mr. Reif's last in-person meeting before his October retirement. Upon thanking him for his service the room joined in a standing ovation to collectively express appreciation. Mr. Rabon then called upon Lee Boughey, Vice President Communications, to give a brief explanation on how to use the new microphones.

Mr. Rabon requested all stand for the Pledge of Allegiance.

MEMBER/CONSUMER COMMENTS

None.

ACTION ON AGENDA

Mr. Rabon noted that due to confidential information and non-public financial projections the Deferred Revenue action item listed under the Finance and Audit Committee report will be discussed in Executive Session. Mr. Rabon asked if there were any changes or if any additional items needed to be removed from the Agenda. Mr. Brase requested the Building Lease Option that was presented in the Finance and Audit Committee meeting yesterday be added to the Agenda for further discussion.

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 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 approved the Consent Agenda, as presented.

The Consent Agenda included:

- a. June 30, 2022 Special Board Meeting Minutes
- b. July 8, 2022 Regular Board Meeting Minutes
- c. Board Policies:
 - #407 - Use of Tri-State Meeting Facilities by Member Systems and Affiliated Organizations (Note. The policy was amended to remove verbiage.)
- d. Resolutions:
 - Springerville 3 SDA Chambers Slide Gate Assembly Capital Project Authorization

RESOLVED, that an increase in the amount of \$240,000.00 to the 2022 Capital Budget for costs incurred this year for Capital Project No. 4628 - SDA Chambers A/B Lower Cones Slide Gates Assembly Install which is scheduled to be completed in

2023 at a total project amount of \$2,000,000.00, is approved.

- Colowyo Mine Explosives Contract Authorization

RESOLVED, that a master contract for a three-year period beginning October 1, 2022 with Enaex USA for ammonium nitrate, emulsion and ancillary explosive supplied in the aggregate purchase amount of approximately \$9,300,000.00, plus applicable freight and taxes, is approved, and that the Chief Executive Officer is authorized to execute, subject to legal review, said master contract and any purchase orders or releases pursuant to such master contract.

PRESIDENT'S REPORT

Mr. Rabon presented the President's Report.

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.

Executive Committee Report

Mr. Rabon reviewed highlights of the August Meeting of the Committee, including Policy Review; Chief Executive Officer Report; June 2022 Financial Report; and the Legal Report.

Internal Auditor's Report

Internal Auditor John O'Flannigan reviewed copies of the written Audit Report dated July 29, 2022. Discussion followed.

CHIEF EXECUTIVE OFFICER'S REPORT

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

2022 Environmental, Social and Governance Report

Ms. Walz referred to the slide presentation "*Environmental, Social and Governance (ESG) Report Updates and Survey*" as she discussed the contents of an ESG Report, the importance of ESG

Reports in the insurance and financial industry and outlined the upcoming 2023 ESG Report process. Discussion followed.

Information Technology Report

Ms. de la Peña referred to the slide presentation "*Project Update: Oracle Cloud - Financial, Accounting and Human Resources*" as she highlighted the recent progress of the project and next steps to be taken. Discussion followed.

COMMITTEE REPORTS

Engineering and Operations Committee

Mr. Turner, Chairman of Tri-State's Engineering and Operations Committee, reviewed highlights of the August Meeting of the Committee, including review and recommendation of the Springerville 3 SDA Chambers Slide Gate Project Authorization and the Colowyo Mine Explosives Contract Authorization. The committee also reviewed policies, heard Affiliated Organization reports and departmental reports. Discussion followed.

External Affairs/Member Relations Committee

Mr. Baca, Chairman of Tri-State's External Affairs and Member Relations Committee, reviewed highlights of the August Meeting of the Committee, including the Safety Report; Environmental and Regulatory Activities; Legislative Review; Energy as a Service Presentation; and Statewide Meetings and Affiliated Organizations Reports.

Finance and Audit Committee

Mr. Brekel noted that the Deferred Revenue action item will be discussed in Executive Session due to confidential financial information. He also reviewed highlights of the August Meeting of the Committee, including June Financial Statements; ARO-Asset Retirement Obligations; Finance Update; Investment Report; Energy Risk Management Update; HQ Financing Options; and 2nd Quarter 10Q Review Conference Call Reminder.

Pursuant to Mr. Brase's prior request, the Board further discussed the Building Lease Option that was presented in the Finance and Audit Committee meeting.

GENERAL COUNSEL REPORT

Mr. Reif advised that 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.

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

The Executive Session commenced at 9:24 a.m. and adjourned at 1:00 p.m.

OPEN SESSION RESUMED

Mr. Rabon reported during Executive Session the Board unanimously approved the Deferred Revenue action item.


ADJOURNMENT

Action: It being 1:08 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 September 8, 2022.


Julie Kilty (Sep 8, 2022 17:25 MDT)

Secretary

APPROVED:


Donald Keairns (Sep 8, 2022 16:58 MDT)

Vice Chairman