

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

Minutes of Regular Board Meeting

Westminster, Colorado - Headquarters Building

December 7, 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 Charlie Abel (Sangre de Cristo) and Phil Zochol (Panhandle). Also present for all or a portion of the meeting were the following management personnel: Chief Executive Officer Duane Highley; Senior Vice President (General Counsel) Jay Sturhahn; Chief Operating Officer Barry Ingold; Senior Vice President (Chief Financial Officer) Pat Bridges; Senior Vice President (Policy & Compliance/Chief Compliance Officer) Barbara Walz; Chief Administrative Officer (CAO/CHRO) Elda de la Peña; and Chief of Staff Bob Frankmore. Also present were Alena Brandenberger (Central New Mexico); Robert Castillo (Continental); Molly Lynn (Garland); David Churchwell (K.C. Electric); Jayson Bishop (Midwest); David Frick (Morgan County); Shawna Glendy (Niobrara); Mario Romero (Otero); Jeff Wadsworth (Poudre); Brad Zaporski (San Miguel); Dean Hubbuck (United); Lacey Gulbranson and Bob Brockman (Wheatbelt); Ryan Schilreff (Wyrulec); and Aaron Gebauer and Trent Loutensock (Y-W). Also present was the following Member of a Member System, Joe Smyth (Mountain Parks) and the following guests: Rhezy Davis, CMT Travel, and Mike Ross, Southwest Power Pool. 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

Mr. Rabon welcomed guests in attendance and requested a moment of silence to pay respect to those lost during the Pearl Harbor attack on December 7, 1941. He then requested all stand for the Pledge of Allegiance.

MEMBER/CONSUMER COMMENTS

None.

ACTION ON AGENDA

Mr. Rabon noted the 2023 Information Technology VMware Renewal and License Authorization Resolution will be pulled from

the Consent Agenda and taken up at a future meeting. He then 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 and asked if there were any changes, besides the one already discussed. Mr. Bledsoe requested the Patronage Capital Resolution be pulled for further discussion.

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

The Consent Agenda included:

- a. November 2, 2022 Board Meeting Minutes
- b. Board Policies:
  - #205-Safety and Occupational Health Policy  
(Note. The policy was amended to delete obsolete verbiage and add new verbiage.)

#### PRESIDENT'S REPORT

Mr. Rabon presented the President's Report.

##### Executive Committee Report

Mr. Rabon reviewed highlights of the December Meeting of the Committee, including Policy Review; Chairman's Update; Consideration of Agendas; Chief Executive Officer's Report; October 2022 Financial Report; and the Legal Report.

Mr. Rabon reported on suggested changes for Board Policy #303 (Formulation, Adoption, Review and Distribution of Board Policies). He noted he is appointing a Board Policy Review Committee, consisting of one Director from each of standing Board Committees, to review each policy. He stated no action is being requested today, he just wanted to preview the changes before a vote is taken in January.

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

Mr. Rabon then called upon Rhezy Davis, CTM Travel Agent, to provide a brief refresh on board travel arrangements/services. Ms. Davis referred to the slide presentation "*Board Travel Arrangements*" as she discussed the various features and options related to board and personal travel. Discussion followed.

#### Education Session

Mr. Highley introduced Mike Ross, Senior Vice President, External Affairs and Stakeholder Relations, at Southwest Power Pool ("SPP"). Mr. Ross referred to the slide presentation "*SPP Overview*" as he discussed SPP's operating region and major services, including the following: the Markets SPP Operates, the Value of Transmission Service, Reliability Coordination, Integrated Transmission Planning (ITP) Process, Transmission Investments Directed by SPP, and Western Services. Discussion followed.

#### Board Member Fiduciary Duty and Wholesale Electric Service Contract Training

Mr. Sturhahn provided the Board Member Fiduciary Duty Training followed by the Wholesale Electric Service Contract Training. Discussion followed.

#### Rabbi Trust Presentation

Chris Johnson, Vice President Finance, provided the Rabbi Trust Presentation.

#### Updated CEO Evaluation Process

Mr. Rabon noted the final draft of the revised CEO Evaluation Process recommended by the ad hoc review committee is on the Directors' iPads. He then discussed the new process and timeline. Discussion followed.

#### Internal Auditor's Report

Internal Auditor John O'Flannigan reviewed copies of the written Audit Report dated November 30, 2022.

## CHIEF EXECUTIVE OFFICER'S REPORT

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

### Procurement Process Update

Ashley Perkins, Senior Manager Supply Chain Services, referred to the slide presentation "*Procurement Process 101*" as she discussed various aspects and duties of the Supply Chain Services including Board Approval/Authority, Procurement Program, RFP/RFQ Process, Signing an Agreement, Change Orders, and Modern Best Practices. Discussion followed.

### IT Report

Ms. de la Peña referred to the slide presentation "*Project Update: Oracle System Implementation*" as she highlighted the progress made since the November Board Meeting and next steps to be taken. Discussion followed.

Mr. Rabon concluded the President's Report by reading a letter Tri-State received from Leslie James, Executive Director of Colorado River Energy Distributors Association ("CREDA"), thanking Mr. Michie for his years of valuable leadership on the CREDA Board.

## COMMITTEE REPORTS

### Engineering and Operations Committee

Mr. Turner, Chairman of Tri-State's Engineering and Operations Committee, reviewed highlights of the December Meeting of the Committee, including Transmission and Generation Monthly Reports; Energy Management Report; and Affiliated Organization Reports.

### External Affairs/Member Relations Committee

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

## Finance and Audit Committee

Mr. Brekel, Chairman of Tri-State's Finance and Audit Committee, reviewed highlights of the December Meeting of the Committee, including October Financial Statements; Q3 Capital Variance Report; Finance Update; Investment Report; Insurance Review; and the Energy Risk Management Update. The Committee also reviewed and recommended approval of the Patronage Capital resolution.

## GENERAL COUNSEL REPORT

Mr. Sturhahn provided an update on the Contract Termination Payment docket at the Federal Energy Regulatory Commission ("FERC") noting it has been fully briefed and is now awaiting a decision from the full FERC Commission. He then noted the remaining legal report would be given in Executive Session.

## 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 1:21 p.m. and adjourned at 4:25 p.m.

## OPEN SESSION RESUMED

Mr. Rabon reported during Executive Session the Board approved the 2023 Budget and the Patronage Capital Resolution, which retired \$10 million of capital credits in the order in which they were first allocated.

ADJOURNMENT

Action: It being 4:35 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 January 10, 2023.

Julie Kilty  
Julie Kilty (Jan 11, 2023 10:19 MST)

---

Secretary

APPROVED:

Timothy A. Rabon  
Timothy A. Rabon (Jan 10, 2023 14:39 MST)

---

Chairman and President