

Minutes of Regular Board Meeting

Virtual Meeting

July 8, 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 Phil Zochol (Panhandle). 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 Pena; Chief Energy Innovations Officer Reg Rudolph; and Chief of Staff Bob Frankmore. Also present were Jayson Bishop (Midwest); Chance Briscoe (Northwest); David Churchwell (K.C. Electric); Darick Eisenbraun (High Plains); David Frick (Morgan County); Mark Gabriel and Dean Hubbuck (United); Dennis Herman (Highline); Jared Routh (High West); and Jeff Wadsworth (Poudre). Also present was the following Member of a Member System: Joe Smyth (Mountain Parks). Also present were several Tri-State staff personnel, including Marina Reite who recorded these Minutes at the request of Secretary Julie Kilty.

INTRODUCTION OF GUESTS AND VISITORS

Mr. Rabon welcomed guests and visitors. He reported that all Directors should have received notification via text about the Special Board Meeting held in June. He then called upon Lee Boughey, Vice President Communications, for a brief explanation how Tri-State will use text messaging to quickly communicate important information or critical issues with the board.

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

MEMBER/CONSUMER COMMENTS

None.

ACTION ON AGENDA

Mr. Rabon reminded all Directors to complete the quarterly Interlocking Directorates Short Form. He reported that the Rebate Processing Project Authorization is postponed. He noted that due to confidential information and non-public financial projections that the High West Load Development Rate and General Legal update 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. There were none.

CONSENT AGENDA

Mr. Rabon presented the Consent Agenda noting that due to confidentiality the resolutions on the JL Green Transformer and Debt Alignment Opportunity Authorization will be removed from the Consent Agenda for Board discussion. Mr. McCormick requested the Financial, Accounting, and Human Resource Systems Capital Project Authorization be removed from the Consent Agenda.

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

The Consent Agenda included:

a. June 8, 2022 Regular Board Meeting Minutes

b. Board Policies:

- #509 - Internal Audit Policy
(Note. The policy was amended to remove verbiage.)

c. Resolutions:

- JM Shafer Cooling Tower Refurbishment Capital Project Revision Authorization

RESOLVED, that the 2022 Capital Budget for the J.M. Shafer Generating Station Cooling Tower Restoration Project is hereby increased from \$1.68 million to \$2.50 million.

- JM Shafer Cooling Tower Refurbishment Contract Authorization

RESOLVED, that a contract with EvapTech, Inc. to refurbish and upgrade the existing cooling tower

at J.M. Shafer Generating Station in the approximate amount of \$2,128,562.00, plus applicable taxes, is approved and that the Chief Executive Officer is authorized to execute, subject to legal review, said contract.

- Fox Run Control Building

RESOLVED, that a contract with Electrical Power Products, Inc. for the procurement of the Power Control Assembly to be installed at the Fox Run Substation in the approximate amount of \$1,759,714.00, plus any applicable taxes, is approved, and that the Chief Executive Officer is hereby authorized to execute, subject to legal review, said contract.

- Poudre Valley Rural Electric Association Policy #117 Contract Authorization

RESOLVED, that subject to legal and technical review, the Chief Executive Officer and/or the Chief Operating Officer are hereby authorized to execute a Renewable Energy Credits Purchase Contract between Tri-State Generation and Transmission Association, Inc. and Poudre Valley Rural Electric Association, Inc. related to the output of the 100 kW Poudre Valley REA Community Solar Farm for a one-year term.

- Moffat Bonds

RESOLVED, that the continuation of term rate mode for the \$46.8 million of Moffat County, Colorado Pollution Control Refunding Revenue Bonds (the "Moffat Bonds") and the remarketing of the Moffat Bonds is hereby approved, with the defined period for the term rate mode, the specified interest for such defined period, the time at which interest shall be payable, the structure of the principal payments, and either a traditional public bond market structure or a direct purchase structure with any of Tri-State's current relationship banks or their affiliates, each to be determined by any of the Authorized Representatives, as defined below; and

FURTHER RESOLVED, that each of the Chairman and President, the Vice Chairman 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., ("Authorized Representatives") acting alone or together, are each hereby authorized and directed to execute and deliver, subject to legal review, any and all documents required to remarket the Moffat Bonds with any of Tri-State's current relationship banks or their affiliates in either a traditional public bond structure or a direct purchase structure with any of Tri-State's current relationship banks or their affiliates, including execution and delivery of (1) any and all notices, consents, and agreements for the replacement of the current remarketing agent with any of Tri-State's current relationship bank or their affiliates as determined by the Authorized Representatives as remarketing agent, (2) any and all notices, consents, and agreements for the direct purchase of the Moffat Bonds by any of Tri-State's current relationship bank or their affiliates of Tri-State as determined by the Authorized Representatives if a direct purchase structure is used, (3) any and all notices, consents, and agreements related to amending the existing agreements with Moffat County related to the Moffat Bonds, including the Trust Indenture, in connection with a term rate mode as determined by any of the Authorized Representatives, and (4) a Continuing Disclosure Agreement related to the Moffat Bonds, or an amendment to the existing agreement, and any and all notices, consents, filings and agreements related thereto if a traditional public bond market structure is used; and

FURTHER RESOLVED, that the Authorized Representatives are each hereby authorized and directed, acting alone or together, to participate in the preparation of and negotiate the terms of a Remarketing Circular related to the remarketing of the Moffat Bonds and to approve the final form of such Remarketing Circular, if a Remarketing Circular is needed; and

FURTHER RESOLVED, that the Authorized Representatives are each hereby authorized, acting alone or together, to enter into any and all notices, consents, and agreements to lock in the specified interest rate for the Moffat Bonds prior to the tender of the Moffat Bonds; and

FURTHER RESOLVED, that any of the Authorized Representatives is authorized to pay or cause to be paid any and all expenses and fees arising in connection with the remarketing of the Moffat Bonds, including the expenses in connection with these Resolutions; and

FURTHER RESOLVED, that the Secretary of the Board and any other Authorized Representatives is hereby authorized and directed to certify to the correctness of these Resolutions to any relationship bank or other person 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.

- Recognize Flight Operations Crew Safety Record

RESOLVED, that the employees of Corporate Flight Operations be commended and congratulated for their dedication and efforts to achieve the milestone of working 60 years (approximately 40,000 flight hours) without an accident during flight operations while safely and reliably delivering air transportation throughout Tri-State's territory.

PRESIDENT'S REPORT

Among other housekeeping items, Mr. Rabon reminded everyone that there will be a Board Meeting on August 3, 2022 and that Tri-State Directors must submit electronic vouchers because paper vouchers are no longer being accepted.

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 meeting held in June.

Executive Committee Report

Mr. Rabon reviewed highlights of the July 6, 2022, Meeting of the Committee, including Policy Review; Chief Executive Officer Report; and May 2022 Financial Report.

Internal Auditor's Report

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

Affiliated Organizations

Mr. Rabon explained that based on Mr. Ingold's recommendation, the following appointments were made for Tri-State Representatives: Dan Walter, Vice President Energy Markets to serve on the board of Mid-West Electric Consumers Association, and Rick Hillis, Vice President Transmission Systems Support to serve on the board of Western States Power Corporation.

CHIEF EXECUTIVE OFFICER'S REPORT

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

COMMITTEE REPORTS

Engineering and Operations Committee

Mr. Turner, Chairman of Tri-State's Engineering and Operations Committee, reviewed highlights of the July Meeting of the Committee, including review and recommendation of the JM Shafer Cooling Tower Refurbishment Capital Project Revision Authorization; JM Shafer Cooling Tower Refurbishment Contract Authorization; Financial, Accounting, and Human Resource Systems Capital Project Authorization; JL Green Transformer; Fox Run Control Building; and Poudre Valley Rural Electric Association Policy #117 Contract Authorization. The committee also reviewed policies, 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 July Meeting of the Committee, including review and recommendation of the Recognize Flight Operations Safety Record; Policy Review; Safety Report; Annual Safety Awards; Environmental and Regulatory Activities; Legislative Review; Member Relations Report; Communications and Public Affairs Report; Energy as a Service Presentation; and Statewide Meetings and Affiliated Organizations Reports. He reported that Board Policy #407 (Use of Tri-State Meeting Facilities by Member Systems and Affiliated Organizations) will have minor revisions for consideration of the full board in August.

Finance and Audit Committee

Mr. Rabon noted that the Debt Alignment Opportunity Authorization will be discussed in Executive Session due to confidential information. He also mentioned there will be an Education Session update on the supply chain situation.

Mr. Brekel, Chairman of Tri-State's Finance and Audit Committee, reviewed highlights of the July Meeting of the Committee, including review and recommendation of the Moffat Bonds. The Committee also reviewed Policies; May Financial Statements; Finance Update; Investment Report; and Energy Risk Management Update.

Ashley Perkins, Senior Manager Supply Chain Services, referred to the slide presentation "Supply Chain Impacts" as she presented an overview of Tri-State's current experience with supply chain issues, inflation, and potential future outcomes. Discussion followed.

GENERAL COUNSEL REPORT

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

He also announced that he will be retiring on October 1, 2022. Congratulatory responses followed.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Several Directors thanked Tri-State staff for attending their Board and Annual Meetings. Mr. Baca thanked staff for providing support to the New Mexico community impacted by wild fires that are now 90% contained.

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 10:52 a.m. and adjourned at 12:03 p.m.

OPEN SESSION RESUMED

Mr. Rabon reported that during Executive Session the Board approved the Debt Alignment Opportunity Authorization, High West Load Development Rate, and the following resolutions removed from the Consent Agenda for discussion in Executive Session and approved as submitted:

- Financial, Accounting, and Human Resource Systems Capital Project Authorization

RESOLVED, that a contract with a delivery partner to complete the implementation of the transition to Oracle cloud in an amount not to exceed \$4,000,000.00, plus applicable taxes, is approved, and the Chief Executive Officer is authorized to execute, subject to legal review, said contract; and

FURTHER RESOLVED, that an increase in the 2022 capital budget for the Financial Management and Human Capital Management Enterprise Software Implementation Project by \$2,500,000.00 is approved.

- JL Green Transformer

RESOLVED, that the necessary contract or contracts with Hyundai Electric America Corporation for the procurement of one (1)

transformer to be delivered to the JL Green Substation is approved, and the Chief Executive Officer is authorized to execute, subject to legal review, said contract(s) in the amount of \$1,934,579.00, plus any applicable taxes.

ADJOURNMENT

Action: It being 12:10 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 on August 3, 2022.

(Signature in Process)

Secretary

APPROVED:



Chairman and President