

Minutes of Regular Board Meeting

Virtual Meeting

November 2, 2022

Chairman and President Tim Rabon called the meeting to order at 8:03 a.m. All directors were present for all or a portion of the meeting except Bruce Duran (Jemez) and Scott Wolfe (San Luis Valley). 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; Chief Energy Innovations Officer Reg Rudolph; and Chief of Staff Bob Frankmore. Also present were Dennis Herman (Highline); David Churchwell (K.C. Electric); Jayson Bishop (Midwest); David Frick (Morgan County); Chance Briscoe (Northwest); Mario Romero (Otero); Jeff Wadsworth (Poudre); Brad Zavorski (San Miguel); Denise Barrera (Sierra); David Spradlin (Springer); Mark Gabriel, Dean Hubbuck (United); Lacey Gulbranson (Wheatbelt); and Trent Loutenscok (Y-W). 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

Mr. Rabon welcomed guests in attendance and welcomed Jay Sturhahn the new Senior Vice President General Counsel. He then called upon Lee Boughey, Vice President Communications, to provide instructions on the new Zoom addition to the virtual meetings. Mr. Boughey noted this is a video only component that allows the participants to view speakers and presentations, but because of security issues, the sound portion of the meetings will still go through Click&Meet. Mr. Rabon then requested all stand for the Pledge of Allegiance.

MEMBER/CONSUMER COMMENTS

None.

ACTION ON AGENDA

Mr. Rabon noted an addition to the Agenda, an Energy Resource Plan Phase II Request for Proposals Update, will be given in Executive Session due to confidential information, along with the Financial Forecast, Discussion of 2023 Budget and action on the Oracle Cloud Service Contract Authorization and Deferred Revenue. 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 and asked if there were any changes. Mr. Wilson requested policies #305-Director Allowances and Expenses Policy and #515-Contract Approval and Execution Authority be removed 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. October 5, 2022 Board Meeting Minutes

b. Board Policies:

- #114-Leasing, Attachment to, Sharing with, or Connection of Non-Member Systems and Member Systems to Tri-State Facilities Policy
(Note. The policy was amended to add verbiage.)
- #200-Employee Compensation Policy
(Note. The policy was amended to change the title of the policy.)
- #304-Chairman/President Policy
(Note. The policy was amended to update the yearly allowance amount and delete obsolete verbiage.)
- #306-Allowance and Expense Policy

(Note. The policy was amended to update allowances and reimbursements amounts.)

- #501-Investment Policy
(Note. The policy was amended to set limits on certain programs, accounts and obligations.)
- #502-Procurement Policy
(Note. The policy was terminated as it has been integrated with Board Policy #515-Contract Approval and Execution Authority.)

c. Resolution:

- 2023 Information Technology Annual End Point Refresh Authorization

RESOLVED, that the 2023 Information Technology endpoint refresh purchase, in the amount not to exceed \$1,243,559.37, plus applicable taxes and freight, with a reputable vendor, is approved, and the Chief Executive Officer is authorized to execute, subject to legal review, the necessary contract or contracts for such purchase.

- Asset Suite Maintenance Contract Authorization

RESOLVED, that the Asset Suite software maintenance renewal for an additional year with Hitachi-ABB, in an amount not to exceed \$724,929.32, plus applicable taxes, is approved, and the Chief Executive Officer is authorized to execute, subject to legal review, the necessary contract or contracts with Hitachi-ABB for such renewal.

- 2022 Accruent-Meridian Enterprise License Migration Authorization

RESOLVED, that the Meridian platform five-year subscription contract with Accruent, in an amount not to exceed \$663,748.16, plus applicable taxes, is approved, and the Chief Executive Officer is authorized to execute, subject to legal review, the necessary contract or contracts for said subscription.

- Colowyo Mine Dragline Relocation Contract Authorization

RESOLVED, that a contract with Mammoet USA South Inc. for dragline relocation transport services in the amount of approximately \$1,780,700.00, plus applicable freight and taxes, is approved, and the Chief Executive Officer is authorized to execute, subject to legal review, said contract.

- New Horizon Mine Active Water Treatment Design Contract Authorization

RESOLVED, that a contract between Elk Ridge Mining and Reclamation, LLC and Geosyntec Consultants, Inc. to conduct engineering design for an active water treatment system at the New Horizon Mine in the approximate amount of \$1,318,955.00, plus applicable taxes, is approved and the Chief Executive Officer is authorized to execute, subject to legal review, said contract.

- Exhibit L to Contract for Telecommunications Network Joint Build and Operations with WAPA

RESOLVED, that an exhibit to an existing joint telecommunication agreement between Tri-State Generation and Transmission Association, Inc. and Western Area Power Administration ("WAPA") for WAPA to install a 48-count fiber optic cable, with Tri-State having rights to use 24 dark fibers, on the existing WAPA 115kV Alcova to Thermopolis transmission line for an estimated total project cost of \$5,250,000.00, with Tri-State's estimated portion being \$2,625,000.00, is approved, and the Chief Executive Officer or Chief Operating Officer is authorized to execute, subject to legal review, said exhibit.

- Exhibit M to Contract for Telecommunications Network Joint Build and Operations with WAPA

RESOLVED, that an exhibit to an existing joint telecommunication agreement between Tri-State Generation and Transmission Association, Inc. and Western Area Power Administration ("WAPA") to install a microwave system at Tri-State and WAPA

telecommunication sites using existing towers and antennas between Montrose and Comanche Communication sites, with Tri-State having access to utilize one-third (1/3) of the available bandwidth on the microwave system, for an estimated total project cost of \$2,250,000.00, with Tri-State's estimated portion being \$750,000.00, is approved, and the Chief Executive Officer or Chief Operating Officer is authorized to execute, subject to legal review, said exhibit.

- Property Conveyance Authorization

RESOLVED, that the sale of certain real property in Section 18 and the South half of Section 17, Township 22 South, Range 42 West of the 6th Principal Meridian, Prowers County, Colorado (the "Property") is approved, and the Chief Executive Officer or Chief Operating Officer is authorized to execute, subject to legal review, any and all documents necessary to conclude the transaction; and

FURTHER RESOLVED, that the Chairman and President or the Vice-Chairman of the Board of Directors and the Chief Executive Officer are authorized to execute and deliver a Company Order to the Tri-State Indenture Trustee for the Property to be released from the lien of the Tri-State Indenture.

- Poudre Valley Rural Electric Association Policies #115 and #117 Contract Authorization

RESOLVED, that subject to legal and technical review, the Chief Executive Officer and/or the Chief Operating Officer are authorized to execute a Member Project Contract and a Renewable Energy Credit Purchase Contract with Poudre Valley Rural Electric Association, Inc. related to the output of a 2.25 MW(ac) community solar generation project for a twenty (20) year term and up to a ten (10) year term, respectively, and that the contracts may be subject to FERC acceptance and approval.

PRESIDENT'S REPORT

Mr. Rabon presented the President's Report.

Executive Committee Report

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

Action on Board Policy #305-Director Allowances and Expenses Policy

Action: It was moved and seconded to approve the proposed changes to Board Policy #305-Director Allowances and Expenses Policy, except for the changes to the lodging portion of the policy, which would remain the current IRS allowable rate. The motion failed to pass by majority vote.

Action: Upon motion and second the Board approved the proposed changes as presented to Board Policy #305-Director Allowances and Expenses Policy, with Mr. Wilson dissenting.
(Note. The policy was amended to update allowances and expenses amounts.)

Action on Board Policy #515-Contract Approval and Execution Authority

Action: Upon motion and second the Board approved the proposed changes as presented to Board Policy #515-Contract Approval and Execution Authority, with Messrs. Trick and Wilson dissenting.
(Note. The policy was amended to increase the contract authority amount for the CEO and to merge the policy with Board Policy #502-Procurement Policy.)

Internal Auditor's Report

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

CHIEF EXECUTIVE OFFICER'S REPORT

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

Mark Weiss, Vice President IT/CIO, referred to the "*Tri-State Solutions Roadmap*" and "*Project Update: Oracle Systems Implementation*" slide presentations as he discussed Tri-State's current IT programs, future programs, highlighted progress made on the Oracle update since the October Board Meeting and the 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 November Meeting of the Committee, including review and recommendation of the 2023 Information Technology Annual End Point Refresh Authorization; Asset Suite Maintenance Contract Authorization; 2022 Accruent-Meridian Enterprise License Migration Authorization; Oracle Cloud Service Contract Authorization; Colwoyo Mine Dragline Relocation Contract Authorization; New Horizon Mine Active Water Treatment Design Contract Authorization; Exhibit L to Contract for Telecommunications Network Joint Build and Operations with WAPA Authorization; Exhibit M to Contract for Telecommunications Network Joint Build and Operations with WAPA Authorization; Property Conveyance Authorization; and Poudre Valley Rural Electric Association Policies #115 and #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 November Meeting of the Committee, including Policy Review; Safety Report; Environmental and Regulatory Activities; Legislative Review; Communications and Energy Services Reports; 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 November Meeting of the Committee, including Policy Review; September Financial Statements; Finance Update; Investment Report; and the Energy Risk Management Update. The Committee also reviewed and recommended recognition of the Deferred Revenue for the third quarter of 2022. Discussion followed.

GENERAL COUNSEL REPORT

Mr. Sturhahn noted the 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 11:12 a.m. and adjourned at 1:42 p.m.

OPEN SESSION RESUMED

Mr. Rabon reported during Executive Session the Board approved the Oracle Cloud Service Contract Authorization and the Deferred Revenue action items.

ADJOURNMENT

Action: It being 1:49 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 December 7, 2022.

Julie Kilty
Julie Kilty (Dec 8, 2022 09:39 MST)

Secretary

APPROVED:

Timothy A. Rabon
Timothy A. Rabon (Dec 8, 2022 07:26 MST)

Chairman and President