Organization	Funding Purpose	Amount Approved
Thingamajig Theatre Company, Pagosa	Survival funds to stay viable during pandemic.	$2000
Women's Resource Center, Durango	Fortify Resource & Referral program; assist with the unexpected financial burdens of replacing telephone system, repairing internal computer network and increasing WiFi capabilities.	$3310
Lutheran Mercy Care	Grocery cards and phone cards for inmates and former inmates.	$500

RoundUp Foundation

PROFIT AND LOSS STATEMENT	LAST YEAR 1/1/2019 thru 6/30/2019	THIS YEAR 1/1/2020 thru 6/30/2020	CURRENT MONTH 6/1/2020 thru 6/30/2020
INCOME			
Revenue from electric bills rounded up	47,098	47,544	7,919
Revenue from LPEA annual meeting donations	355	-	-
Interest Income	51	35	5
Miscellaneous Donations	-	2,276	2,276
Returned Educational Grant	-	-	-
Revenue from LPEA Unclaimed Capital Credits	-	-	-
TOTAL INCOME	47,504	49,855	10,200
EXPENSES & DONATIONS			
Donations:			
Miscellaneous Donations	27,907	25,254	5,249
Community Emergency Assistance Coalition	11,270	11,293	1,881
Pagosa Springs Outreach Coalition	3,938	3,946	657
CEAC Reserve (Paid to Housing Solutions of the Southwest)	593	594	99
Educational Donations: LPEA unclaimed capital credits	-	-	-
Expenses:			
Mileage Reimbursement to Board Members	181	70	-
TOTAL EXPENSES & DONATIONS	43,889	41,157	7,886
NET INCOME(LOSS)	3,615	8,698	2,314
Miscellaneous Donations - Above			5,249
Net Income (Loss) - Above			2,314
Current Revenue Available for Donation			7,563

ROUND UP PARTICIPATION SUMMARY

DATE	RESIDENTIAL ACCOUNTS	COMMERCIAL ACCOUNTS	OTHER ACCOUNTS	ROUND-UP ACCOUNTS	ROUND-UP PLUS ACCOUNTS	ROUND-UP PLUS AMOUNT
1/31/2020	14,171	1,046	18	15,235	185	$ 514.73
2/28/2020	14,132	1,049	18	15,199	184	$ 512.23
3/31/2020	14,094	1,046	19	15,159	182	$ 509.23
4/30/2020	14,079	1,048	19	15,146	183	$ 514.23
5/31/2020	14,079	1,051	20	15,150	183	$ 514.23
6/30/2020	14,103	1,059	21	15,183	183	$ 514.23

Tri-State G&T – Kohler McInnis

August 2020 Report

External Affairs/Member Relations

There was not an External Affairs/Member Relations Committee Meeting this month due to Strategic Planning. The following External Affairs/Member Relations items were reported to the Board.

1. **Safety**
    a. There were no Non-Lost Workday injuries and 1 Restricted Workday Case in July, 2020.
2. **Environmental and Regulatory Activities**
    a. For July 2020, 125 environmental compliance reports were submitted to the Colorado Department of Public Health and Environment (CDPHE), New Mexico Environment Department and the Environmental Protection Agency.
    b. Agency inspections.
        i. An air quality inspection was conducted at Limon Station by CDPHE.
3. **Legislative Review**
    a. **Federal**
        i. Council on Environmental Quality finalized amendments to implementing regulations for the National Environmental Policy Act (NEPA)
        ii. EPA proposed retaining the 2015 Ozone Air Quality Standards
        iii. US-HR2 Moving Forward Act is a $1.5 trillion infrastructure package that aims to address roads, bridges, transit systems, schools, housing, broadband, and significant clean energy incentives. Passed in the House July 1, 2020
        iv. US-HR1057 Great American Outdoors Act makes funding for the Land and Water Conservation Fund (LWCF) permanent. Passed the House July 21, 2020, awaits President's signature.
        v. US-HR7483 is to provide for the adjustment or modification by the Secretary of Agriculture of loans for critical rural utility service providers. Introduced in the House July 2, 2020
        vi. US-S4152 Flexible Financing for Rural America Act of 2020 allows electric cooperatives and small rural telecom providers to refinance RUS debt to current market rates within RUS. Introduced in the Senate July 2, 2020.
        vii. US-HR7516 is to advance innovation in and deployment of zero-emission electricity technology. Introduced in the House July 9, 2020
        viii. Federal Update
            1. Biden climate plan: Democratic Presidential Candidate Joe Biden released his plan to address climate change which calls for net-zero emissions by 2050, including 100 percent carbon free electricity production from utilities and grid operators.
    b. **Colorado**
            1. No report this month

4. **Corporate Communications**
    a. Report on Board on Corporate Communications activities and Member Relations was provided.

Regular Board Meeting

Please see the attached *BOARD REPORT August 2020* and *August 2020 Meetings Highlights*.

Additional Notes

1. Strategic Planning was held on Monday, August 3 all day and Tuesday morning August 4. The planning sessions were held in Executive Session. The topics were –
    a. FERC rate Settlement Process
    b. Member "Buy-In Proposal"
    c. Rate Reduction Initiative
    d. Responsible energy Plan
    e. Governance Landscape
    f. Other Governance topics
2. Board reorganization was held on Wednesday, August 5, following the TS Annual Meeting.
    a. Rick Gordon was re-elected as Chairman/President
    b. Tim Rabon was elected as Vice Chairman replacing Scott Wolfe
    c. The following were elected to the Executive/Litigation Committee
        i. Julie Kilty/Wyoming
        ii. Stuart Morgan/Nebraska
        iii. Matt Brown/Wyoming
        iv. Scott Wolfe/Colorado
        v. Wayne Connell/ New Mexico
        vi. Don Keairns/Colorado
        vii. Shawn Turner/Nebraska

Kohler McInnis

Tri-State Board of Directors
August 2020 Meeting Highlights

The Board of Directors had an abbreviated virtual board meeting on August 4 in light of Strategic Planning and the 2020 Annual Meeting, held the same week.

2020 Annual Meeting Recap

The 2020 Tri-State Annual Meeting and Membership Meeting was held virtually on August 5, 2020 and included remarks from Tri-State Chairman Rick Gordon, CEO Duane Highley and Treasurer Stuart Morgan. The meeting marked the first annual meeting for Highley since becoming CEO of the association in April 2019.

- *Rick Gordon (Chairman's Report)*
  - The Chairman focused on the continued need to work together to fulfill the Tri-State mission to deliver reliable, affordable and responsible power to our members.
  - Gordon reflected on the association's accomplishments over the last year and a half, including the implementation of numerous board directives designed to transition Tri-State and increase competitiveness.
  - He highlighted the development of the Responsible Energy Plan that would reduce emissions, the work of the Contract Committee to increase member flexibility and the ongoing need to focus on lower rates.
  - He emphasized that while a lot of progress has been made, there is still more work to be done and encouraged members to remain focused on our mission and to continue to work diligently to find solutions that work for all members.
- *Duane Highley (CEO's Report)*
  - After briefly mentioning several of last year's accomplishments, Highley focused on the future of Tri-State and the strategy to continue to improve competitiveness in the transitioning energy market.
  - He mentioned that there are many opportunities before Tri-State as it strives to be the premier power provider in the region, but there are challenges too.
  - He listed priorities for the next year, which include cutting costs and rates, continuing to pursue an organized market in the region and identifying a reliable alternative to replace retiring coal facilities.
  - Highley believes Tri-State's strengths, as a cooperative, come from its mission, diversity and dedicated workforce, and that these strengths will help the association be successful in the future.
- *Stuart Morgan (Treasure's Report)*
  - Morgan presented the 2019 financial information, which showed another financially-sound year for Tri-State.
  - In 2019, Tri-State saw steady member sales growth, continued commitment to achieving financial goals, steadfast focus on cost management, and no rate increase for 2020, the fifth year in a row.
  - He outlined how Tri-State's financial strength positions the association to be a competitive power supplier for the membership into the future and provides flexibility as it implements the Responsible Energy Plan.

Strategic Planning Session

The Tri-State Board of Directors held its second strategic planning session of the year. Strategic planning is done bi-annually and allows for more in-depth discussion of key issues facing the association. The topics focused on during this session included:

- *FERC Rate Settlement Process* – Education session on the FERC Rate Settlement Process.
- *Member Proposal and Ad Hoc Working Group* – Discussion and input on a proposal to reduce rates submitted by several members.
- *Internal Rate Reduction Initiative* – Review of staff's benchmarking of Tri-State's rates and discussion of actions being considered to potentially reduce costs and rates.
- *Carbon Reduction Regulation Update* – Discussion of the status of several carbon reduction regulations in Colorado and a summary of the process and potential outcomes.
- *Governance Landscape* – Discussion of the current governance landscape facing electric cooperatives across the country and Tri-State-specific governance topics.

Update on Tri-State's Response to COVID-19 Pandemic

Barry Ingold, SVP Generation and Tri-State's lead on the response to the pandemic, provided a general update on Tri-State's response to the COVID-19 pandemic and actions being taken to ensure reliability of the system and employee safety. In addition, Brad Nebergall, SVP Energy Markets, and Pat Bridges, SVP & Chief Financial Officer, provided updates on pandemic impacts.

- Tri-State continues to implement its Return to Work plan, which establishes a risk level associated with allowing different numbers of employees currently working from home to return to Tri-State facilities. On July 20, Tri-State returned to a High risk level in response to increasing spread across the service territory.
- Nebergall provided the June operations report, which showed that decreased baseload sales from lower oil and gas production as a result of the pandemic continues to impact member revenue, but irrigation loads have been strong. In June, member demand was 4.2% below budget and energy sales were 1.5% below budget, but non-member sales volumes were 14.5% above budget largely due to the forward hedging that was done late last year and earlier this year. The use of low-cost natural gas generation and low-cost market purchases continue to help offset financial impacts of lower member loads.
- Bridges reported revenue from member sales were $2.9 million or 2.6% below budget in part due to pandemic effects. Combined, purchased power, production, and fuel costs were 2.2% higher than budget, and net margins continue to be strong.

From: Tim Coleman <tcoleman@coloradorea.org>
Sent: Thursday, August 6, 2020 11:22 AM
Cc: Geoff Hier <Ghier@coloradorea.org>; Kent Singer <ksinger@coloradorea.org>
Subject: 2020 Ballot Initiative Update

Board of Directors,

Monday, August 3rd was the deadline for proponents of ballot initiatives to submit petitions with the required signatures for measures to be placed on the November ballot. Currently, three initiatives and four referred measures will be on the ballot and four initiatives are under review. Four of the measures on the ballot were referred by the General Assembly and include proposals that would include Colorado as a state that supports the national popular vote for President, repeal the Gallagher Amendment, create a uniform nicotine tax that would raise the taxes on cigarettes and vaping products from $.84 cents to $2.64 by July 2027, and allow charitable organizations that have been in business for three years to obtain a charitable gaming license.

Three ballot initiatives have been approved by the Secretary of State. The measures include:

- **Citizenship Qualifications of Electors:** The ballot initiative asks voters to consider an amendment to Colorado's constitution that requires that an individual must be a citizen of the United States to register to vote. The full text can be found here.
- **Restoration of Grey Wolves:** The initiative would make a change to the Colorado Revised Statutes to reintroduce grey wolves in Colorado. Reintroduction of the gray wolves would be implemented by the Colorado Parks and Wildlife Commission. The initiative prohibits the commission from imposing any land, water, or resource restrictions on private landowners and would require the commission to compensate livestock owners for any loss of livestock caused by the gray wolves. The full text can be found here.
- **End Late-Term Abortions in Colorado:** The ballot initiative would prohibit abortions after 22 weeks. The full text can be found here.

The four ballot initiatives that have submitted the necessary signatures but are awaiting approval are:

- **Initiative #257- Local Voter Approval of Gaming Limits in Black Hawk, Central City, and Cripple Creek:** The initiative would allow for residents of Black Hawk, Central City, and Cripple Creek to vote to increase the maximum bet for any game over $100. Additionally, the initiative would allow the three cities to expand the type of gaming that is allowed in casinos. Currently, the constitution only allows casinos to offer slots, blackjack, poker, craps, and roulette with a maximum bet of $100. The measure would allow gaming revenue to be spent on community college programs that improve student retention and increase completion of credentialed programs. The fiscal impact can be read here.
- **Initiative #295- Voter Approval Requirement for Creation of Certain Fee-Based Enterprises:** The ballot initiative would require that after 2021, the creation of an enterprise must be approved by a vote of the people if the enterprise program is projected or actual revenue from fees and surcharges exceeds $100 million over the first five years of operation. Enterprises are government-owned businesses authorized to issue revenue bonds, collect fees, and surcharges that are exempt from the TABOR revenue limit. The fiscal impact report can be read here.

- **Initiative #306- State Income Tax Rate Reduction:** The ballot initiative would reduce the state income tax from 4.63 to 4.55 for the tax year 2020 and all subsequent years. According to the fiscal impact statement, the ballot initiative would reduce General Fund revenue by $78.1 million in FY 2019-20, $158.4 million in FY 2020-21, and $169.8 in FY 2021-22. Income tax revenue is subject to TABOR. The full fiscal impact statement can be found here.
- **Initiative #283 Paid Family and Medical Leave Insurance Program (12 Week):** The ballot initiative creates a statewide paid family medical leave insurance program and division as an enterprise of the Department of Labor and Employment. The purpose of the program is to provide partial wage replacement benefits for 12 weeks per year to eligible employees and employment protections for those who take the leave. The measure requires that premium payments are split between each employer and the employee, with the exception of federal employees. Sole proprietors may opt-into the program. There could be significant economic impacts caused by the passage of this initiative. Legislative Council predicts that the increase in insurance premiums will reduce spending or savings elsewhere in the economy. Additionally, the adoption of a FAMLI plan might impact hiring decisions, increase administrative costs, and impact other employment opportunities for temporary workers.
    - **Eligibility and Definitions:** A family member is defined as a person who is related by blood, marriage, domestic partnership, civil union, adoption, or an individual with whom the covered individual has a significant personal bond that is like a family relationship.
        - Qualified events include an individual's serious health condition, caring for a newborn, an adopted child, or a child placed through foster care for the first year, and circumstances related to a family member's active military duty. Domestic abuse, sexual assault or abuse, and stalking are also included in the qualifying events. An employee is eligible to participate in the program once an employee has worked for at least 180 days for his or her current employer.
        - An employee is eligible to participate in the program once an employee has worked for an employer for at least 180 days.
    - **Employer requirements and penalties:**
        - Employers will be required to collect employee contributions through a payroll deduction and remit the employer and employee contributions to the FAMLI division. If an employer already has a family medical leave or disability policy, then the state FAMLI program benefits can be taken concurrently. Like other insurance programs, employers will be required to post notice of change in benefits and educate new hires on the program. Employers must also notify the employee about the program upon learning of an employee's qualifying event.
        - **Penalties:** The FAMLI division will create rules and a fine structure for employees who violate the requirements and the fines will be deposited into the FAMLI fund. For example, an employer could be fined if they are found to discriminate against an employee if they have taken or requested the benefit.
    - **Premiums:** The premium is based on 90% of payroll with the employer and employee each paying 50% of the premium.
    - **Benefits**: An eligible individual will receive up to 12 weeks of leave benefits, however, the benefits can be extended to 16 weeks due to serious health condition related to pregnancy or childbirth complications

- **Employers may elect to purchase and insurance plan on the open market or participate in the state programs.**
- **Fiscal Impact:** The passage of this initiative will increase the size and scope of the state government. However, there will be no TABOR impact due to the division being created as an enterprise. The initial estimates revenue generates by premiums in FY2022-23 is $626.0 million and will increase to $1.3 billion in FY2023-24. Revenue to the FAMLI funds may also increase due to fines on employers. The state expenditures will increase significantly from FY 2021-22 starting at 3.2 million and increase to $280.5 million in FY 2023-24. Additionally, by FY 2023-24 the division will have hired 63.0 FTE. The Division will hire up to 196 FTE to run the program and have expenses related to legal and IT services and other administrative costs. The fiscal analysis is assuming that the state AWW of $1,294 and a 3.53% utilization rate for 12 weeks of leave resulting in a payout of $522.3 million in benefits in FY 2024-2025.
- **Analysis of FAMLI Ballot Initiatives:** There would be a considerable cost incurred by Colorado's electric cooperatives and other businesses throughout the state if the ballot initiative is approved by the voters. The Colorado Chamber of Commerce has already publicly opposed the initiatives stating there is a significant risk to businesses and workers who are living paycheck to paycheck. The initiative could cause businesses to decrease staff sizes or cut wages to pay for the FAMLI program. Additionally, the initiative is silent on eligibility for contract workers, which may raise concerns about cooperatives hiring contract workers.

The full text of the initiative can be found here and the fiscal impact statement can be found here.

CREA staff will continue to provide updates on the 2020 election and related ballot initiatives between now and November. Please let me know if you have any questions,

Tim Coleman
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