

**MINUTES OF REGULAR BOARD MEETING  
OF  
HOLY CROSS ENERGY**

**FEBRUARY 16, 2011**

A regular meeting of the Board of Directors of Holy Cross Electric Association, Inc., a/k/a Holy Cross Energy (hereinafter called "Holy Cross"), a Colorado corporation, was held at the main office at 3799 Highway 82 in Garfield County at 9:02 a.m. on February 16, 2011.

The Secretary reported that five of the seven Directors were present being Harold F. Clark, Thomas R. Turnbull, George H. Shaeffer, Adam L. Palmer and David C. Munk. Directors Lynn E. Dwyer and Michael A. Glass were unable to attend due to schedule conflicts. Staff attending included Chief Executive Officer Delvan Worley, Chief Financial Officer Tim Charlton, Chief Operating Officer Richard Brinkley and General Legal Counsel Randolph W. Starr. Also present was Clem Kopf, a member of Holy Cross. Employees Marilyn Dorman, Accounting Supervisor, and Michael Whiddon, Accountant, were also present.

President Clark adjourned the meeting of the Board of Directors originally convened on January 19, 2011, which had been continued until today's meeting.

President Clark asked for comments of members of the public present. Mr. Kopf commented about the Xcel Smart Grid project in Boulder.

Upon motion duly made by Director Turnbull, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the minutes of the regular meeting of the Board held January 19, 2011, be approved with the addition of "...an engineering long-range-plan..." in Mr. Brinkley's report at the bottom of page 2 of the draft of the January minutes.

A list of general fund disbursements was presented. Questions about certain expenditures were asked by Board members and answered by Mr. Worley and Mr. Charlton. No action was taken as the accounts that were paid have already been accomplished in accordance with Board policy.

The Board then reviewed the Treasurer's Report for January 31, 2011, presented by Mr. Charlton.

Upon motion duly made by Director Munk, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the Treasurer's Report be approved.

The Board reviewed the Safety Report for January 2011 and the minutes for the Safety Operating Committee meeting, dated February 4, 2011. After discussion, and upon motion duly made by Director Turnbull, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the Minutes of the Safety Operating Committee dated February 4, 2011, be approved.

Attorney Starr reported on the settlement of a litigation regarding a pipe line crossing of an existing overhead line. He also reported on the article in the "Rural Electric" magazine that quoted Mr. Charlton.

Mr. Worley reported on the status of Western United Electric Supply Corporation and the Colorado Rural Electric Association.

Mr. Charlton presented the 2011 Financial Work Plan that had been delivered to the Board prior to the meeting. Ms. Dorman and Mr. Whiddon contributed to the presentation. After discussion, and upon motion duly made by Director Shaeffer, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the 2011 Financial Work Plan be approved as presented.

At this time a short break was taken in the meeting. At this time Ms. Dorman and Mr. Whiddon left the Board room. At this time Diana Golis, Manager Power Supply and Contracts, and Chris Hildred, Engineer, entered the Board room.

Upon motion duly made by Director Munk, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the Board enter executive session to consider documents or testimony given in confidence generally relating to financial and resource matters. No action was taken by the Board to make final policy decisions or adopt or approve any resolution, rule, regulation, or formal action, any contract, or any action calling for the payment of money.

At this time Mr. Kopf left the Board room.

Upon motion duly made by Director Palmer, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the Board exit executive session.

Mr. Kopf returned to the Board room.

Mr. Worley discussed an expanded power purchase agreement with Clean Energy Collective for the purchase of power from a community solar photovoltaic project. Upon motion duly made by Director Shaeffer, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the Chief Executive Officer be authorized to sign an amended and restated agreement with Clean Energy Collective, LLC on terms determined by the CEO as generally described in his presentation.

Mr. Worley gave a status report on the Eagle Springs solar energy project and other renewable energy projects.

Mr. Charlton gave a report on the matters under his supervision in addition to his written report of February 11, 2011.

Barry Croissant, Supervisor of Purchasing and Facilities, was not available due to an illness so Mr. Brinkley updated Mr. Croissant's written report of January 2011 on construction activities. During the presentation three representatives of Navigant Consulting, Inc. and Steve Casey, Manager Member Services, entered the Board room. During the presentation, Randy Udall, energy consultant, entered the Board room.

At this time, a luncheon break was taken. After lunch the representatives of Navigant Consulting, Inc. presented their report on the five-year Energy Efficiency Plan. Director Glass joined the meeting by telephone. Five members of the public representing Bosch Solar entered the Board room for the presentation. At the conclusion of the presentation Ms. Golis, Mr. Hildred, Mr. Casey, Mr. Udall, Mr. Kopf, the Navigant representatives and the members of the public representing Bosch Solar left the Board room. At this time a short break was taken.

Mr. Brinkley reported on matters under his supervision in addition to his written report of February 11, 2011. Mr. Brinkley reviewed the system outage report for December 2010. Mr. Brinkley also discussed NERC compliance issues, current engineering issues, current electric operations issues and the status of the Minturn franchise and safety issues. Upon motion duly made by Director Munk, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the Chief Executive Officer be authorized to sign an amended franchise agreement with the Town of Minturn on the identical terms as the existing franchise but extending the term by six months.

Mr. Worley reported on matters under his supervision in addition to his written report of February 11, 2011. A review of the Navigant Consulting presentation was given by Mr. Worley. He discussed the Mission Statement wording. At this time Director Palmer left the Board room.

Arrangements for the upcoming Annual Meeting of NRTC on March 6, 2011, in Orlando, Florida, were discussed. No delegate for Holy Cross was appointed.

Discussion about the BTA Associates, LLC Board of Managers ensued. Upon motion duly made by Director Turnbull, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED**, that Director Glass and Director Munk are appointed to the BTA Board of Managers for Holy Cross.

Directors stated that the miles actually and necessarily traveled in attending this meeting were as follows: Clark 63, Turnbull 28, Shaeffer 75, Palmer 60 and Munk 36.

President Clark recessed the meeting at 2:52 p.m. until the regular Board meeting on March 16, 2011, at 9:00 a.m. The next meeting will be held at Holy Cross's office at 3799 Highway 82 in Glenwood Springs, Colorado.

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Secretary - Thomas R. Turnbull

APPROVED:

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President - Harold F. Clark

NOTE: The 2011 Board meeting dates have been set as follows: March 16, 2011; April 20, 2011; May 18, 2011; June 15, 2011; July 20, 2011; August 17, 2011; September 21, 2011; October 19, 2011; November 16, 2011 and December 21, 2011. **The Annual Meeting of Members has been set for June 4, 2011.**