

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

JUNE 16, 2010

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, Colorado, at 9:35 a.m. on June 16, 2010.

The Secretary reported that all seven Directors were present being Thomas R. Turnbull, George H. Shaeffer, Michael A. Glass, Harold F. Clark, Lynn E. Dwyer, Adam L. Palmer and David C. Munk. Staff attending included Chief Executive Officer Delvan Worley, General Manager of Electric Operations and Engineering Richard Brinkley, General Manager of Support Services Tim Charlton and General Legal Counsel Randolph W. Starr. Also present were Craig Tate, Member Services Representative at the Glenwood Springs facility; Scott Smith, Field QA Coordinator at the Glenwood Springs facility; Lori Martin, Meter Reader at the Vail District office; and Ryan Hertzog, System Operations Technician at the Glenwood Springs facility.

President Clark adjourned the meeting of the Board of Directors originally convened on May 19, 2010, which had been continued until today's meeting after the reorganization meeting of the Board that had been held immediately prior to this meeting.

President Clark indicated there were no members of the public present.

Upon motion duly made by Director Dwyer, 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 May 19, 2010, be approved.

A list of general fund disbursements was presented. Questions about certain expenditures were asked and answered by 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 May 31, 2010, presented by Director Glass. After discussion and upon motion duly made by Director Dwyer, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that the Treasurer's Report be approved.

The Board then reviewed the Safety Report for May 2010, and the minutes for the Safety Operating Committee meeting dated June 10, 2010. 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 minutes of the Safety Operating Committee dated June 10, 2010, be approved.

President Clark introduced Craig Tate, with 20 years at Holy Cross; Scott Smith, with 10 years at Holy Cross; Lori Martin, with 15 years at Holy Cross and Ryan Hertzog with 5 years at Holy Cross. The Board recognized each employee for their years of service to Holy Cross. President Clark presented an award to each employee. At the conclusion of the presentation the employees left the Board room.

Mr. Worley and Mr. Starr presented a draft of a Corporate Policy C-24 regarding voting and elections for discussion and consideration. Lengthy discussion ensued about the policy and other issues regarding electioneering by candidates and by members of the Board. After discussion, and upon motion duly made by Director Dwyer, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that the draft of the amended Corporate Policy C-24 "Voting and Elections" as presented by Mr. Worley and Mr. Starr be approved effective on June 30, 2010.

Discussion among the members of the Board ensued about whether to consider any change in the Bylaws regarding voting by district or at large after the results of the member vote conducted in conjunction with the Annual Meeting of Members. No action was taken; and no consideration for a Bylaw change will occur on this subject. It was the consensus of the Board to post the election results on the 2010 election distributed by district on Holy Cross's web site.

At this time a short break was taken.

Mr. Starr presented proposed changes to the Bylaws that would conform the Bylaws to the provisions of HB10-1098 and also to add the provision discussed by the Board at the May Board meeting regarding the qualifications for a person to become and remain as a member of the Board (Board Qualifications). After discussion, and upon motion duly made by Director Dwyer, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that the proposed Bylaw amendments as drafted by legal counsel and presented to the Board be adopted.

Mr. Charlton presented a recommendation for the Holy Cross Energy contribution to Energy Outreach Colorado for the period from September 1, 2010, to September 1, 2011. After discussion, and upon motion duly made by Director Dwyer, seconded and put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that Holy Cross Energy will contribute \$55,000 to Energy Outreach Colorado for the period from September 1, 2010, to September 1, 2011, for energy assistance purposes as defined in Senate Bill 05-001, the Low Income Energy Assistance Act.

Attorney Starr had no report.

Director Glass and Mr. Worley gave a report on the Western United Electric Supply Corporation. There has been no board meeting.

Mr. Worley gave a report on Colorado Rural Electric Association matters.

Barry Croissant, Supervisor of Purchasing and Facilities, was unable to attend the meeting and review his written report of June 11, 2010. Mr. Charlton and Mr. Brinkley gave a verbal update to the report.

Mr. Charlton gave his report on the matters under his supervision in addition to his written report of June 11, 2010.

At this time a luncheon break was taken. At lunch a presentation was made by Farshideh Jahani, IT Manager, and Tony May, Network System Analyst II, about the Board web page.

Mr. Brinkley reported on matters under his supervision in addition to his written report of June 11, 2010. He discussed current engineering issues, current electric operations issues, the Cooley Mesa update and other matters. Mr. Brinkley reviewed the system outage report for May 2010.

Mr. Worley reported on matters under his supervision in addition to his written report of June 11, 2010.

Arrangements for the upcoming Rocky Mountain Electrical League Fall Convention in Tucson, Arizona, on September 12-14, 2010, were discussed.

Directors stated that the miles actually and necessarily traveled in attending this meeting were as follows: Turnbull 28, Shaeffer 75, Glass 106, Clark 63, Dwyer 40, Palmer 60 and Munk 36.

President Clark recessed the meeting at 2:14 p.m. until the regular board meeting on July 21, 2010 at 9:00 a.m.

Secretary - Thomas R. Turnbull

APPROVED:

President - Harold F. Clark

NOTE: The 2010 Board meeting dates have been set as follows: July 21, 2010, August 18, 2010, September 15, 2010, October 20, 2010, November 17, 2010 and December 15, 2010.