

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

**June 17, 2009**

A regular meeting of the Board of Directors of Holy Cross Energy, a Colorado corporation (hereinafter called "Holy Cross"), was held at the office of Holy Cross at 3799 Highway 82 in Garfield County, Colorado, at 9:30 A.M. on June 17, 2009.

The Secretary reported that all seven Directors were present, being Thomas R. Turnbull, Robert F. Starodoj, Harold F. Clark, George H. Shaeffer, Michael A. Glass, Lynn E. Dwyer and Adam L. Palmer.

The President adjourned the meeting of the Board of Directors originally convened on May 20, 2009, which had been continued until today's meeting.

The minutes of the regular meeting of the Board held May 20, 2009, were read and, upon motion duly made by Mr. Clark, seconded, put and unanimously approved.

A list of accounts payable was presented. After discussion, and upon motion duly made by Mr. Glass, seconded, put and unanimously carried, such list was approved, and the payment of all items thereon was directed, approved and ratified. The President directed that said list be identified by the Secretary as that acted upon at this meeting.

The Board then reviewed the Treasurer's Report for May 2009. After discussion and upon motion duly made by Mr. Glass, seconded, put and unanimously carried, the Treasurer's Report was approved.

The Board then reviewed the Safety Reports for April and May 2009, and the minutes for the Safety Operating Committee, dated May 30, 2009 and June 11, 2009.

Upon motion made by Mr. Shaeffer, seconded, put and unanimously carried, the following resolution was adopted:

**RESOLVED:** That the minutes of the Safety Operating Committee, dated May 30, 2009, and June 11, 2009, are hereby approved.

Jeff Hauer, Meter Technician at the Glenwood Springs facility, with fifteen (15) years of service; Thomas Maddalone, Journey Lineworker at the Glenwood Springs facility, with five (5) years of service; and Paul Belden, Journey Lineworker at the Vail District office, with five (5) years of service, were recognized for their service and presented with service awards.

Mr. Clark, the Holy Cross representative on the Colorado Rural Electric Association and Western United Boards of Directors, reported on the activities of these two organizations. Mr. Clark discussed the proposed revised dues formula for CREA.

Attorney Kent Singer reported on pending litigation and other legal matters.

Vicky Velasquez, Human Resources Supervisor, reviewed the 2009 Affirmative Action Plan. She indicated that Mountain States Employers Council had reviewed and approved the plan.

Upon motion duly made by Ms. Dwyer, seconded, put and unanimously carried, the following resolutions were adopted:

**RESOLVED:** That Holy Cross Energy's Affirmative Action Plan for 2009 is hereby approved; and

**FURTHER RESOLVED:** That updated Corporate Policy C-12, Equal Employment Opportunity Policy, and Employee Policy E-4, Unlawful Harassment, as presented and attached to these minutes, are hereby adopted and approved.

Del Worley, Chief Executive Officer, reviewed the operations of Paradigm, LLC. The Board discussed its options with respect to Paradigm.

Richard Brinkley, General Manager of Electric Operations and Engineering, reported on matters under his supervision. Mr. Brinkley discussed the circumstances causing two recent outages at the Basalt substation. Mr. Brinkley asked for the Board's input regarding a request by the City of Aspen to purchase certain Holy Cross facilities used to serve Aspen facilities. The consensus of the Board was not to sell the facilities. Mr. Brinkley then reviewed the outage report for May 2009. Mr. Brinkley also discussed the status of the Cooley Mesa office project.

Barry Croissant, Supervisor of Purchasing and Facilities, gave an update on the headquarters expansion project.

Mr. Worley reported on matters under his supervision. Mr. Worley reviewed the status of rebate incentives paid through the WE CARE program. The Board discussed the possibility of allocating additional funds for the rebate program. Staff will make a recommendation to the Board as to how to reallocate the funds for the rebate program. Mr. Worley handed out a spread sheet showing how the Holy Cross contribution to Energy Outreach Colorado was distributed. Mr. Worley also discussed a proposed community solar project, as well as an opportunity to purchase additional wind power from Xcel.

Upon motion duly made by Mr. Clark, seconded, put and unanimously carried, the following resolution was adopted:

**RESOLVED:** That this Board Meeting is hereby continued until the next regular or special Board Meeting of Holy Cross, provided that the mileage for this day's attendance shall be paid to the Directors as described below.

Directors stated that the miles actually and necessarily traveled in attending this meeting were as follows: Turnbull 28, Starodoj 80, Clark 63, Shaeffer 75, Glass 106, Dwyer 40 and Palmer 0.

The meeting recessed at 2:53 P.M. on June 17, 2009.

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Secretary

APPROVED:

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President