

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

**APRIL 21, 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 9:00 a.m. on April 21, 2010. A moment of silence was observed in memory of the loss of the Klima family.

The Secretary reported that all of the seven Directors were present, being Thomas R. Turnbull, George H. Shaeffer, Robert F. Starodoj, Michael A. Glass, Harold F. Clark, Lynn E. Dwyer and Adam L. Palmer. Director Emeritus George S. Lamb was also present. 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 Larry Scarbrough, Warehouse Foreman at the Vail District office; Dustin Millican, Network System Analyst II at the Glenwood Springs facility; Joe Snoddy, Purchasing Agent at the Glenwood Springs facility; Michael Tornes, Apprentice Lineworker at the Glenwood Springs facility; Theresa Rayne, Tree Trimmer II at the Glenwood Springs facility; Keith Speranza, Mechanic at the Glenwood Springs facility; David C. Munk, Holy Cross member; and John Svensk, Xcel Energy employee.

President Turnbull adjourned the meeting of the Board of Directors originally convened on March 17, 2010, which had been continued until today's meeting.

President Turnbull introduced the members of the public present. President Turnbull asked if there were any comments from the persons present. Mr. Svensk made comments about the status of the Comanche 3 Unit at Pueblo. Director Clark made comments about the agenda regarding Director requirements and qualifications.

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 March 17, 2010, be approved.

A list of accounts payable was presented. President Turnbull discussed an item on the list. Mr. Charlton discussed some of the items on the list. Questions from Board members were asked and answered. 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 March 31, 2010, presented by Director Glass. 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 Treasurer's Report be approved.

The Board then reviewed the Safety Report for April 2010, and the minutes for the Safety Operating Committee meeting, dated April 16, 2010. Mr. Brinkley explained further about the matters identified in the minutes of the meeting. 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 minutes of the Safety Operating Committee dated April 16, 2010, be approved.

President Turnbull introduced employees Larry Scarbrough, with 30 years at Holy Cross; Dustin Millican, with 15 years at Holy Cross; Joe Snoddy, with 40 years at Holy Cross; Michael Tornes, with 5 years at Holy Cross; Theresa Rayne, with 5 years at Holy Cross; and Keith Speranza, with 5 years at Holy Cross; and recognized them for their years of service. President Turnbull presented an award to each employee. At the conclusion of the presentation the employees left the Board room.

Mr. Worley presented a revised draft of Corporate Policy C-6 "Meetings of the Board of Directors." 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 draft of Corporate Policy C-6 "Meetings of the Board of Directors" be approved as presented. The policy is attached to the minutes of the meeting.

Mr. Worley presented a draft of Employee Policy E-77 "Use of Communication Systems and Computer Technology" for discussion and consideration. After discussion, and upon motion duly made by Director Clark, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the draft of Employee Policy E-77 "Use of Communication Systems and Computer Technology" be approved as presented. The policy is attached to the minutes of the meeting.

Mr. Worley presented a power supply contract between Holy Cross and Clean Energy Collective, LLC. 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 CEO is authorized to execute a 20-year power purchase agreement with Clean Energy Collective, LLC, not to exceed one megawatt of renewable energy capacity for the terms presented to the Board.

Director Palmer and Mr. Worley discussed the proposed Eagle County Airport solar project connected to the covered parking area at the airport. The County Commissioners have delayed implementation of the project for various reasons. Discussion among the Board members ensued about the project. There was discussion about investigation of other alternative energy projects through use of a request for proposal "bidding" process.

At this time a short break was taken. At this time Mr. Munk left the Board room.

Attorney Starr had no report.

Director Glass gave a report on Colorado Rural Electric Association matters with additional comments by Mr. Worley. During the presentation Steve Casey, Member Services and Marketing Administrator, entered the Board room.

Mr. Casey discussed the solar project rebate request from SunSense for the Ryobi Foundation to exceed the limits under the tariff of Holy Cross and the WE CARE rebate program. He had previously distributed a letter from SunSense, dated April 16, 2010, which requested changes in the net metering program. Mr. Worley discussed the current net metering tariff limits and requested consensus about possible changes in the current tariff limits. Questions by the Board members were asked and answered and discussion ensued. The consensus of the Board was to have Mr. Worley to present a change in Tariff Sheet 29 regarding Net Metering Service along with recommendations of possible rebates or rebate pool for the Ryobi Foundation project to be presented to the Board at the next meeting.

Upon motion duly made by Director Clark, 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 renewable energy credit sale matters with input from Mr. Casey (including direction to negotiators), subsidiary matters, Director credentials and other qualification requirements in the Bylaws, and the strategic planning session. 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.

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

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

At this time a luncheon break was taken. During the luncheon break the Nexant Energy Efficiency Study was presented. Mr. Munk was in attendance for the presentation and he left the building after the presentation. Barry Croissant, Supervisor of Purchasing and Facilities, entered the Board room.

Wayne Alderson, Billing and Rate Analyst/Supervisor, entered the Board room and presented the list of accounts that are uncollected and that should be declared as uncollectable, totaling \$36,174.18. The list had been presented to the Board prior to the meeting. Upon motion duly made by Director Clark, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the attached list of accounts receivable presented to the Board was declared uncollectable and the accounts should be written off of the financial records of Holy Cross.

Mr. Alderson left the Board room at the conclusion of the presentation.

Mr. Croissant gave his report on the status of the campus expansion and other current activities in addition to his written report of April 16, 2010. At the conclusion of his report he left the Board room.

Mr. Charlton gave his report on the matters under his supervision in addition to his written report of April 16, 2010.

Mr. Brinkley reported on matters under his supervision in addition to his written report of April 16, 2010. He discussed current engineering issues, current electric operations issues, and other matters. Mr. Brinkley reviewed the system outage report for March 2010.

Mr. Worley reported on matters under his supervision in addition to his written report of April 16, 2010. Mr. Worley discussed a biomass project in Vail, wind projects on the east slope, the Town of Basalt hydroelectric project and the CAMU rate comparison.

Discussion about a contribution to the Klima family memorial fund ensued. Upon motion duly made by Director Clark, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that Holy Cross contribute \$1,000 to the Klima family memorial fund at the Alpine Bank.

Discussion ensued about Holy Cross's energy efficiency audit program and its review of various ways to save money for the members.

Directors stated that the miles actually and necessarily traveled in attending this meeting were as follows: Turnbull 28, Shaeffer 75, Starodoj 80, Glass 106, Clark 63, Dwyer 40, Palmer 60 and Lamb 68.

President Turnbull recessed the meeting at 3:35 p.m. until the regular Board meeting on May 19, 2010.

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Secretary - Robert F. Starodj

APPROVED:

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President - Thomas R. Turnbull

NOTE: The 2010 Board meeting dates have been set as follows: May 19, 2010; June 5, 2010; June 16, 2010 (reorganization + regular agenda); July 21, 2010; August 18, 2010; September 15, 2010; October 20, 2010; November 17, 2010 and December 15, 2010. The Annual Meeting of Members for 2010 will be at the Ramada Inn in Glenwood Springs on Saturday, June 5, 2010, at 10:00 a.m.