

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

**JULY 19, 2017**

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 cooperative association, was held at the main office at 3799 Highway 82 in Garfield County at 9:05 a.m. on July 19, 2017.

Agenda Item 1: Take Board formal photos / change of Director passwords.

Agenda Item 2: Roll Call. Chair Megan M. Gilman reported that all the seven Directors were present being Megan M. Gilman, David C. Munk, Robert H. Gardner, Clemons M. Kopf, Adam L. Palmer, Kristen N. Bertuglia, and Michael A. Glass. Staff attending included President and Chief Executive Officer Bryan J. Hannegan; Mindy Tagler, Vice President - Finance; Diana Golis, Vice President - Power Supply and Contracts; Cody O'Neil - Vice President, Glenwood District Operations; Robert Farmer, Vice President, Information Technology; and General Legal Counsel Randolph W. Starr. Also attending were Wendell Goad, Curt Hanson, Raymond Williams and Jessy Kuss.

Agenda Item 3: Adjourn Previous Board Meeting. Chair Gilman adjourned the meeting of the Board of Directors originally convened on June 21, 2017, and then continued to today's meeting.

Agenda Item 4: Public Comment. Chair Gilman asked for comments of members of the public present. No comments were made as there were no members of the public present.

Agenda Item 5: Minutes of Regular Meeting of June 21, 2017. Upon motion duly made by Director Munk, 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 on June 21, 2017, be approved.

Agenda Item 6: Treasurer's Report for June 2017. The Board reviewed the Treasurer's Report for June 30, 2017, presented by Director Gardner and Ms. Tagler. Questions were asked by Board members and answered by Director Gardner and Ms. Tagler.

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 for June 30, 2017, be approved.

Agenda Item 7: Safety Operating Committee Minutes for June 2017. The report had been distributed prior to the Board Meeting. After discussion, and upon motion duly made by Director Gardner, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the minutes of the Safety Operating Committee meeting dated July 5, 2017 (for June 2017), be approved.

Agenda Item 8: Employee Recognition for July 2017. Chair Gilman introduced employees Wendell Goad, Manager, Glenwood Operations -Construction & Fleet in our Glenwood Springs Operations Center with 40 years of service; Curt Hanson, Utility Tech -Senior Inspector in our

Glenwood Springs Headquarters with 10 years of service; Raymond Williams, Warehouse/Facilities Coordinator in our Eagle/Vail District with 10 years of service; and Jessy Kuss, Member Services Representative in our Avon District Office with 5 years of service. The Board recognized the employees for their service to Holy Cross. The employees left the Board Room after this item.

Agenda Item 9: Attorney's Report. Attorney Starr had no report. No update on Wellons case with EVCE. Mr. Starr mentioned that the NRECA Legal Reporting Service described the presentation by Director Munk at the NRECA/CFC Task Force on governance.

Agenda Item 10: Staff Questions/Answers on Written Reports and Status Reports. Mr. Hannegan, Ms. Tagler and Mr. Bleakley gave updates to the written reports of July 14, 2017, on the matters under their supervision. During this item Michael Whiddon, Accounting Supervisor, entered the Board room. Questions from Board members were answered.

Agenda Item 11: Report of Audit Management comments. Written materials had been sent to the Board prior to the meeting. A verbal presentation was made by Ms. Tagler regarding the auditor's comments on management issues. Mr. Whiddon made additional comments. Mr. Whiddon left the room after this item.

Agenda Item 12: Bylaw changes for UCC [Unclaimed Capital Credits] Program. Ms. Tagler gave a verbal and visual presentation with a draft of a proposed amendment to the bylaws of Holy Cross to deal with currently unclaimed and with future unclaimed capital credits. Discussion ensued among the Board members and Ms. Tagler responded to questions by the Board members. Upon motion made by Director Munk, seconded and unanimously carried, the Bylaws of Holy Cross Energy are amended effective on this date, in part, as follows:

## ARTICLE VII NON-PROFIT OPERATION

*[Sections 1 and 2 omitted]*

### **SECTION 3. Patronage Capital Assignment and Contribution by Failure to Claim.**

A. Capital credited to the account of each member shall be assignable only on the books of the Association pursuant to written instruction from the assignor and only to successors in interest in the business or the physical assets of such member unless the Board, acting under policies of general application, shall determine otherwise.

B. Notwithstanding any other provision of the Association's Bylaws, membership agreement, or any other document, if any member (defined as member or former member); for whom the Association has a valid address, fails to claim any ~~cash payment~~ in retirement of capital credits from the Association, within ~~one~~ three years after payment of the same has been made to the member, by check mailed to the member at the last address furnished by the member to the Association, ~~then~~ the failure shall be and shall constitutes an assignment and contribution by the member, of the capital credits payment or refund, to the Association ["unclaimed refund"]. ~~The f~~Failure of a member to provide the Association with a valid address; at the time the ~~payment of the~~ capital credit retirement is mailed, shall also constitute an assignment and contribution of the ~~unclaimed refund to the Association.~~

Failure to claim any payment within the meaning of this section shall include the failure of any member to cash any check mailed by the Association. The assignment and contribution of the ~~unclaimed refund~~ provided for under this section shall become effective ~~only~~, upon the expiration of ~~one~~ three years from the date when the payment was mailed to the member, by the Association, ~~or at such prior date as allowed by statute.~~

~~Any contribution made pursuant to this Bylaw provision shall be considered a contribution of capital to the Association, unless reclaimed, and considered part of the "net savings" of the Association, and none of the contributions made pursuant to this Bylaw provision will be reallocated as excess margins to any of the Association's former or current members. The "net savings" referred to herein shall become a property right of members and former members to be distributed upon dissolution or liquidation.~~

~~Any contribution of the unclaimed refund made under this section that has been made at any time can be used by the Association as directed by the Board of Directors from time to time.~~

C. The Board of Directors, ~~at its discretion,~~ may establish administrative policies and dormancy or other service fees regarding ~~notification to, and late claims by,~~ any unclaimed refund paid to a member pursuant to this Article of the Bylaws ~~revision.~~  
[Section 4 omitted]

Agenda Item 13: Consideration of Annual Contribution to Energy Outreach Colorado and Requirements of SB05-001. Ms. Tagler presented this matter and described the program and the history of contributions of Holy Cross. Ms. Tagler presented a recommendation for a contribution to Energy Outreach Colorado for the period from October 1, 2017, to October 1, 2018. John Rowley, Vice President-Human Resources entered the Board room during the discussion. After discussion, and upon motion duly made by Director Gardner, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that Holy Cross Energy will contribute \$61,500 to Energy Outreach Colorado for the period from October 1, 2017, to October 1, 2018, for energy assistance purposes as defined in Senate Bill 05-001, the Low Income Energy Assistance Act.

A short break was taken.

Agenda Item 14: Restatement of NRECA Retirement Security (RS) and 401(k) Pension Plans. Mr. Rowley made a visual and verbal presentation about the required restatement of the NRECA Retirement Security (RS) and 401(k) Pension Plans. Upon motion made by Director Glass, seconded and unanimously carried, the following resolution was adopted:

**RESOLUTION OF THE BOARD OF DIRECTORS AUTHORIZING the  
AMENDMENT and RESTATEMENT of  
THE RETIREMENT SECURITY and/or 401(K) PENSION PLAN  
For Holy Cross Energy  
REA(s) 06034-001**

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**WHEREAS**, *Holy Cross Energy*, is a participating employer in the NRECA-sponsored:

x
x

Retirement Security (RS) Plan

401(k) Pension (401(k)) Plan

*Plan(s): elect one or both, as applicable*

**WHEREAS** the Board of Directors of *Holy Cross Energy* is aware that the Plan(s) must periodically be amended to comply with new or changed regulations, rulings, legislation and plan operations, and that this restatement will be effective July 1, 2017.

**THEREFORE BE IT RESOLVED** that this Board authorizes the July 1, 2017 amendment, restatement and continuance of the Plan(s) to conform in its (their) entirety with all the provisions of the governing plan document(s) of the Plan(s), through the execution of the Adoption Agreement(s), which includes all of the provisions of the Cooperative's most recently executed Adoption Agreement(s) and any compliance clarifications needed to conform with plan operations; and

**BE IT FURTHER RESOLVED**, in the event that the timing of the restatement does not correspond with regularly scheduled meetings of the Board of Directors, the Board does hereby authorize and direct *Holy Cross Energy* to execute all necessary documents and to take any and all further actions necessary to carry out the July 1, 2017 amendment and restatement of the Plan(s).

Agenda Item 15: Gypsum Franchise. Ms. Golis made a presentation about the proposed amendments to the franchise agreement with the Town of Gypsum, Colorado for electric service within the Town's boundaries. Upon motion duly made by Director Gardner, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the officers of Holy Cross be authorized to accept and sign the franchise agreement with the Town of Gypsum, subject to final review of the agreement by staff.

Agenda Item 16: Executive Session. Upon motion duly made by Director Kopf, 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 power supply and solar generation bid matters.

At this time, all staff members remained in the Board Room, and Jenna Weathered, Manager of Marketing and Member Services, and Chris Hildred, Power Supply/Special Projects Supervisor, entered the Board Room. Later in the discussion David Bleakley, Vice President-Engineering, entered the Board Room.

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 Gardner, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the Board exit executive session. After the discussion Mr. Hildred left the Board Room.

The regular luncheon break was taken.

Agenda Item 16: Executive Session (continued). Upon motion duly made by Director Gardner, 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 solar generation bid matters, transmission matters and the Governor's climate action plan.

Mr. Bleakley, Ms. Tagler, Ms. Weathered and Mr. O'Neil remained in the Board room, and Mr. Hildred had left the Board Room.

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 Bertuglia, seconded, put to a vote and unanimously carried, the following resolution was adopted:

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

Agenda Item 17: Board Committee Reports.

A. Succession planning - by Director Glass—no further reports.


- B. Strategic Planning Committee – by Chair Gilman—last quarterly meeting held. Meeting date changed to 8:00 a.m. Friday, August 11, and the location is to be determined.
- C. Communication Committee – by Director Palmer—discussed scheduling a committee meeting.

Agenda Item 18: Director’s Report on Western United Electric Supply Corporation. Director Gardner reported on Western United Electric Supply Corporation matters.

Agenda Item 19: Director’s Report on Colorado Rural Electric Association. Chair Gilman reported on Colorado Rural Electric Association matters.

Agenda Item 20: New Business. Upon consensus, the October Board meeting was changed to 9:00 a.m. on **Thursday, October 19, 2017**. A general discussion of director education seminars ensued. Director Kopf reported on his attendance at the NRECA directors school. Director Munk reported on the NRECA / CFC Governance Task Force and his submissions to the Task Force.

Agenda Item 21: Continuation of Board Meeting. Chair Gilman recessed the meeting at 3:07 p.m. until the Strategic Planning Board Meeting on **Friday, August 11, 2017**. The strategic planning board meeting will be held at 8:00 a.m. in a location in the Eagle Valley at a location to be determined.

  
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Assistant Secretary – Robert H. Gardner

APPROVED:

  
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Chair – Megan M. Gilman

NOTE: The 2017 regular Board Meeting dates are tentatively scheduled for: **August 11, 2017, NOTE NEW DATE—strategic planning only**; September 20, 2017; **October 19, 2017, NOTE NEW DATE**; November 15, 2017; and December 20, 2017.

Upcoming Meetings of Associated Organizations:

- A. NRECA Region 7 & 9 Meeting on October 16 to October 18 at Sheraton Denver Downtown Hotel, 1550 Court Place, Denver.
- B. CREA Energy Innovations Summit and Fall Meeting on October 28 to October 31 at the Denver Downtown Westin Hotel, 1672 Lawrence Street, Denver, CO, 80202.