

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

**OCTOBER 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 Gypsum district office at 0132 Buckhorn Valley Blvd, Gypsum, CO 81637 in Eagle County at 9:13 a.m. on October 19, 2017.

Agenda Item 1: Roll Call. Chair Megan M. Gilman reported that six of the seven Directors were present being Robert H. Gardner, Adam L. Palmer, Michael A. Glass, Kristen N. Bertuglia and Clemons M. Kopf; and David C. Munk was absent. 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; Rick Arnhold - Vice President Eagle/Vail District; Robert Farmer, Vice President, Information Technology; John Rowley, Vice President - Human Resources; Jenna Weathered, Manager of Marketing and Member Services; Chris Hildred, Power Supply/Special Projects Supervisor; Sam Whelan - Business & Rate Analyst; and General Legal Counsel Randolph W. Starr.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Gilman adjourned the meeting of the Board of Directors originally convened on September 20, 2017, and then continued to today's meeting.

Agenda Item 3: 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 4: Minutes of Regular Meeting of September 20, 2017. 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 regular meeting of the Board held on September 20, 2017, be approved.

Agenda Item 5: Treasurer's Report for September 2017. The Board reviewed the Treasurer's Report for September 30, presented by Director Gardner and Ms. Tagler. During the report Director Munk entered the room. 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 September 30, 2017, be approved.

Agenda Item 6: Safety Operating Committee Minutes for September 2017. The reports 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 October 4, 2017 (for September 2017) be approved.

Agenda Item 7: Employee Recognition for October 2017. Chair Gilman introduced employees Mindy Tagler, Vice President - Finance in our Glenwood Springs Headquarters with 5

years of service, and John Rowley, Vice President - Human Resources in our Glenwood Springs Headquarters with 5 years of service. The Board recognized the employees for their service to Holy Cross.

Agenda Item 8: Attorney's Report. Attorney Starr had reported on the recent meeting of the Colorado REA attorneys group at CREA on October 13.

Agenda Item 9: Staff Reports. Mr. Hannegan, Ms. Tagler and Mr. Bleakley gave updates to the written reports of October 13, 2017, on the matters under their supervision. Questions from Board members were answered.

Agenda Item 10: Board Committee Reports.

- a. Strategic Planning – by Chair Gilman.
- b. Communication Committee – by Director Palmer.

Agenda Item 11: Director's Report

- a. Western United Electric Supply Corporation. Director Gardner reported on Western United Electric Supply Corporation matters.
- b. Colorado Rural Electric Association. Chair Gilman reported on Colorado Rural Electric Association matters.

A short break was taken.

Agenda Item 12: Strategic Initiative Review – 3<sup>rd</sup> Quarter 2017. Staff members gave verbal updates to items on the written materials sent to the Board prior to the meeting.

Agenda Item 13: Review of October 1-2 Storm Restoration Efforts. Staff members reviewed the snow storm event that occurred on October 1<sup>st</sup> to 2<sup>nd</sup> and the response of Holy Cross employees to the major storm event.

A break was taken for lunch.

Agenda Item 14: Award of Excellence Recognition – Journey Lineworker Award. During the lunch break the following employees were recognized for their accomplishments.

Phil Bollingberg in our Eagle/Vail District, has successfully passed the Holy Cross Journey Lineworker test and obtained Journeyman status effective November 1, 2017. Phil started working at Holy Cross on July 14, 2014 as an Apprentice Lineworker.

Doug Laho in our Glenwood Springs Operation Center has successfully passed the Holy Cross Journey Lineworker test and obtained Journeyman status effective November 1, 2017. Doug started working for Holy Cross on April 20, 2015 as an Apprentice Lineworker.

Joel Olerich in our Eagle/Vail District has successfully passed the Holy Cross Journey Lineworker test and obtained Journeyman status effective November 1, 2017. Joel started working for Holy Cross on June 16, 2014 as an Apprentice Lineworker. At this time Rick Arnhold left the meeting.

Agenda Item 15: Unfinished Business:

a. Distributed Solar Incentive Program. A presentation was made by Mr. Hildred regarding the current incentives offered by Holy Cross. Questions posed by Board members were answered by Mr. Hildred.

A motion was made by Director Gardner, seconded, put to a vote and defeated on a majority vote:

**RESOLVED** that the changes to Holy Cross' incentive program for retail net metering generation retain the limit of 2MW and change the tariff to a firm expiration date of December 31, 2018.

Further discussion about the subject ensued. A motion was made by Director Palmer, seconded, put to a vote and passed on a majority vote with Directors Gardner and Kopf dissenting:

**RESOLVED** that the Holy Cross incentive program for renewable generation service be changed to end on December 31, 2018, with a limit of 2 MW available at existing incentive levels, with 1 additional MW available at a lower incentive of 8.5¢/kWh.

After discussion, and upon motion duly made by Director Gardner, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** to table action on upfront solar installation incentives until a future meeting of the Board.

A short break was taken.

b. CFC Borrowing Proposal. Ms. Tagler made a verbal presentation to the Board. Ms. Tagler responded to questions by Board members.

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

**RESOLVED** that the proposal to become a 100% CFC borrower by refinancing our existing RUS debt was approved.

c. Health and Welfare Trust Premiums. Mr. Rowley made a verbal and written presentation to the Board. Mr. Rowley responded to questions by Board members.

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

**RESOLVED** that the proposal by staff as presented including the increase of the overall funding of the Health and Welfare Plan in 2018 by 39.7% with employee premiums increasing by 26.6% was approved.

Agenda Item 16: New Business.

a. Green Power Program Review. Mr. Hannegan and Mr. Hildred made a verbal presentation on the materials sent to the Board prior to the meeting. They responded to questions by Board members.

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

**RESOLVED** that the changes to the Tariffs, Rules and Regulations of Holy Cross be approved as presented effective on December 1, 2017, and staff is directed to publish the changes as provided by law. The name of the tariff was changed to Renewable Energy Rider.

At this time director Palmer left the room. All staff members left the room.

A short break was taken.

Agenda Item 17: Executive Session. 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 Board 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.

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

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

Agenda Item 18: Continuation of Board Meeting. Chair Gilman recessed the meeting at 4:16 p.m. until the regular Board Meeting on **November 15, 2016**. **The next meeting will be held at a location to be determined based on the status of the Glenwood Springs bridge replacement project.**

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Secretary - Michael A. Glass

APPROVED:

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Chair - Megan M. Gilman

NOTE: The 2017 regular Board Meeting dates are scheduled for: November 15, 2017; and December 20, 2017. The 2018 regular Board Meeting dates are tentatively scheduled for: January 17, 2018; February 21, 2018; March 21, 2018; April 18, 2018; May 16, 2018; June 20, 2018; July 18, 2018; August 15, 2018; September 19, 2018 (strategic planning); October 17, 2018; November 21, 2018 [note this is the day before Thanksgiving and the date may be changed]; and December 19, 2018.

Upcoming Meetings of Associated Organizations:

- A. 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.
- B. HCE Holiday Party December 3 at Aspen Glen Club House, 545 Bald Eagle Way, Carbondale, CO.
- C. Mid-West Electric Consumers Association Annual Meeting on December 11 to December 14 in Denver.