

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

**APRIL 18, 2018**

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, Glenwood Springs, CO at 9:01 a.m. on April 18, 2018.

Agenda Item 1: Roll Call. Acting Chair Michael A. Glass reported that four of the seven Directors were present being Robert H. Gardner, Adam L. Palmer, Clemons M. Kopf, and Michael A. Glass; and Megan M. Gilman, Kristen N. Bertuglia, and David C. Munk were absent. Staff attending included Bryan J. Hannegan, President and Chief Executive Officer; Mindy Tagler, Senior Vice President and Chief Financial Officer; Diana Golis, Vice President - Power Supply and Contracts; David Bleakley - Vice President - Engineering; Bob Farmer, Vice President, Information Technology, John Rowley, Vice President - Human Resources; and Rick Arnhold, Vice President, Eagle/Vail District Operations; and General Legal Counsel Randolph W. Starr. Employees Michael Corson, Cody Lyden and Lee Powell were also present.

Agenda Item 2: Adjourn Previous Board Meeting. Acting Chair Glass adjourned the meeting of the Board of Directors originally convened on March 21, 2018, and then continued to today's meeting.

Agenda Item 3: Public Comment. Acting Chair Glass 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: Employee Recognition for April 2018. Michael Corson, Tree Clearing Foreman in our Glenwood Springs Operations Center is celebrating 10 years of service in April. Cody Lyden, Journey Lineworker in our Glenwood Springs Operations Center is celebrating 10 years of service in March. Lee Powell, Journey Lineworker in our Glenwood Springs Operations Center is celebrating 10 years of service in March. During the recognition director Bertuglia entered the Board room. The employees left the Board room at the conclusion of this item.

Agenda Item 5: Consent Calendar. The following informational items were presented to the Board in the form of written reports and memoranda:

- a. Minutes of Regular Meeting of March 21, 2018
- b. Treasurer's Report for April 2018
- c. Safety Operating Committee Minutes for March 2018
- d. Attorney's Report
- e. Staff Reports
- f. Board Committee Reports
  - i. Communications
  - ii. Finance
  - iii. Governance
  - iv. Strategic Issues
- g. Directors' Reports
  - i. Western United Electric Supply Corporation
  - ii. Colorado Rural Electric Association

Questions posed by Board members were answered by staff members. Upon motion duly made by Director Gardner, seconded, put to a vote and unanimously carried, it was

**RESOLVED** that the items on the Consent Agenda be approved as presented.

Agenda Item 6: Old Business.

b. Quarterly Risk Management Report. Mr. Rowley presented a verbal and visual report on the First Quarter Risk Management plan. He also briefed the Board on the 2018 Safety Improvement Plan (SIP). This annual plan is developed by the Safety Coordinator and a committee of operations employees which is then shared with all employees and sent to NRECA. It is also included in the tri-annual RESAP review which is to take place this year. Additional comments were made by Mr. Arnhold and Mr. Hannegan.

a. Uncollected Debt Report. Mr. Wayne Alderson, Billing Support Services Supervisor, entered the Board room, and he presented the list of accounts that are uncollected and that should be declared as uncollectable, totaling \$ 31,842.91 (July 1 through December 31, 2017). The list had been presented to the Board prior to the meeting. Director Gilman joined the meeting by telephone during the presentation. Upon motion duly made by Director Kopf, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the attached list of accounts receivable presented by Mr. Alderson, totaling \$ 31,842.91, was declared uncollectable and the accounts should be written off of the financial records of Holy Cross.

Mr. Alderson left the Board Room after this item.

c. Wage and Compensation Adjustment. Mr. Rowley presented a verbal and visual report on the proposed wage adjustment for employees. Questions posed by Board members were answered by Mr. Rowley. Upon motion duly made by Director Gardner, seconded, put to a vote and unanimously carried, it was

**RESOLVED** that effective May 1, 2018, the wage ranges for all employees be increased by 3.25%.

**FURTHER RESOLVED**, that effective May 1, 2018, the wage ranges for Journeyman Lineworkers and Foremen be further increased with an additional 2.75% wage range adjustment.

**FURTHER RESOLVED**, that the annual incentive/bonus amount for the Senior Vice President and Chief Financial Officer will be set at 15% of employee's salary.

**FURTHER RESOLVED**, that effective May 1, 2018, that all other compensation and benefit programs will remain unchanged.

A question from Director Gardner was responded to by Mr. Hannegan and Mr. Rowley. Sam Whelan – Business & Rate Analyst, Jenna Weathered, Vice President – Member & Community Relations, and Chris Bilby – System Operations Engineer, entered the Board room.

d. Board Compensation Policy. After a presentation by director Gardner and lengthy discussion among the Board members, upon motion duly made by Director Kopf, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the modifications to Corporate Policy 4.5, Director Compensation and Expenses as proposed by the committee and published with the Board materials be adopted effective May 1, 2018.

Agenda Item 7: New Business:

a. Rural Energy Savings Program Loan Opportunity. Mr. Whelan and Ms. Tagler made a verbal and visual presentation about the Rural Energy Savings Program. Chris Hildred, Power Supply/Special Projects Supervisor, entered the Board room. Questions by Board members were

responded to by Mr. Whelan and Ms. Tagler and Mr. Hildred. Upon motion duly made by Director Gardner, seconded, put to a vote and unanimously carried, it was

**RESOLVED** that Holy Cross Energy (HCE) staff continue to develop a financing program intended to be funded with proceeds from the USDA Rural Energy Savings Program (RESP).

**RESOLVED** that HCE intends to submit a loan application under RESP as prescribed in the Notice of Funding Availability (NOFA) published in the Federal Register/Vol. 82, No. 222 published November 20, 2017.

**RESOLVED** the CEO or CFO are authorized to carry out all necessary actions, including but not limited to the executing and attesting all necessary documentation, in connection with the loan application to participate in the RESP as provided in the NOFA.

**RESOLVED** HCE is authorized to apply and take a loan in the amount not to exceed \$11.0M and carry out and execute such agreements, instruments and certificates as are necessary or appropriate in connection there within.

A short break was taken.

b. Electric Vehicle Infrastructure Plan. Mr. Bilby and Mr. Whelan made a verbal and visual presentation about the Electric Vehicle Infrastructure Plan. Questions by Board members were responded to by them. Lengthy discussion ensued about the Plan.

Upon motion duly made by Director Bertuglia, seconded, put to a vote and unanimously carried, it was

**RESOLVED**, that the Holy Cross Energy "Electrification of Transportation Plan" be approved as presented, and that staff directed to carry out its provisions and programs in accordance with the Plan.

**RESOLVED**, that staff be directed to choose electric vehicles as the default option for replacement of HCE vehicles and equipment where feasible as they are replaced on their normal replacement cycle.

Agenda Item 9: Executive Session. None.

The 2017 Annual Report from the Holy Cross Energy Roundup Foundation is attached to the minutes.

Agenda Item 10: Continuation of Board Meeting. Vice Chair Glass recessed the meeting at **11:34 a.m.** until the regular Board Meeting on **May 16, 2018**. The next meeting will be held at Holy Cross's office at 3799 Highway 82 in Glenwood Springs, Colorado.

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Secretary - Michael A. Glass

APPROVED:

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Chair - Megan M. Gilman

NOTE: The 2018 regular Board Meeting dates are tentatively scheduled for:

- May 16, 2018;
- June 20, 2018;
- July 18, 2018;
- August 15, 2018;
- September 19, 2018;
- October 17, 2018;
- November 14, 2018 *[note date change]*; and
- December 19, 2018.

The Annual Meeting of the Members will be held on May 31, 2018 at Crown Mountain Park, 501 Eagle Count Drive, El Jebel 81623.

Upcoming Meetings of Associated Organizations:

- CFC Forum on June 10-13 in Indianapolis, IN.
- CFC Directors Conference on July 10-12 in Colorado Springs, CO.
- NRECA Region VII & IX Conference on September 25-27 in Anchorage, AK.
- CREA Fall Meeting and Energy Innovations on October 27-30 in Denver, CO.
- Mid-West Electric Consumers Association Annual Meeting on December 10-13 in Denver, CO.