

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

OCTOBER 24, 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 9:07 a.m. on October 24, 2018.

Agenda Item 1: Roll Call. Chair Megan M. Gilman reported that all of the seven Directors were present being Megan M. Gilman, Kristen N. Bertuglia, Robert H. Gardner, Clemons M. Kopf, Michael A. Glass, and Adam L. Palmer; and David C. Munk was absent. Staff attending included Bryan J. Hannegan, President and Chief Executive Officer; Michael Whiddon, Accounting Supervisor; John Rowley, Vice President - Human Resources; Rick Arnhold, Vice President - Eagle/Vail District Operations; Steve Beuning, Vice President - Power Supply and Programs; Jenna Weatherred, Vice President - Member and Community Relations; 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 19, 2018, 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: Employee Recognition. Jon Caughlin, Journey Lineworker in our Glenwood Springs Operations Center with 5 years of service, Chris Pitman, Journey Lineworker in our Eagle/Vail District with 5 years of service, and Ginette Puidokas, Lead Member Services Rep in Glenwood Springs with 5 years of service were recognized for their service to Holy Cross. The employees left the Board room. Director Kopf received his CCD certificate and pin.

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 September 19, 2018 Regular Meeting
- b. Treasurer's Report
- c. Safety Committee Minutes
- 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 Calendar be approved as presented.

Agenda Item 6: Guatemala Electrification Project Presentation. HCE's Chet Stickler and Christian Baker traveled to Guatemala from September 16 – October 3, as part of a NRECA-sponsored delegation of lineworkers from Colorado and Oklahoma that extended power lines to the Guatemalan villages of Pie del Cerro and Tierra Blanca Salinas.

This is the first year that Colorado cooperatives have had the opportunity to participate in this important program that brings modern energy services to rural villages who don't have access to electricity.

Chet and Christian had a first-hand opportunity to experience the power of electrification, just as their predecessors did here in HCE territory nearly 80 years ago. Chet and Christian entered the Board room and they shared their experience with the Board, and they showed pictures from their travels and their work. During the presentation Sam Whelan – Business & Rate Analyst, entered the board room. A short break was taken. Director Munk joined the board meeting by telephone. Chair Gilman was temporarily out of the board room.

Agenda Item 7: Old Business.

a. Quarterly Risk Management Report. Mr. Rowley presented a verbal and visual report on the Third 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. Chair Gilman returned to the Board room during the presentation. During the presentation Director Munk ended the telephone call.

b. Health and Welfare Trust Review. 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 with a total 2019 plan expense of \$5,235,600 including the increase of the overall funding of the Health and Welfare Plan in 2019 by 6.1% with employee premiums increasing by 25% was approved.

d. Gilman Transmission Line Project Financial Analysis. Mr. Bleakley presented a financial analysis of the costs associated with various options for placing lengths of the Gilman Line underground that was prepared with the assistance of Mr. Whelan. Questions by board members were answered by Mr. Hannegan, Mr. Bleakley and Mr. Whelan.

Agenda Item 10: Lunch with the Purchasing and Contracts Representatives. A break for lunch was taken.

Agenda Item 9: Executive Session. 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 power supply matters. All staff members remained in 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. Director Munk was on the telephone conference call along with Robert O'Neil. Later Mr. Munk appeared in the board room.

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. Director Palmer left the board room.

c. Cost of Service Study and Rate Design Update. Mr. Hannegan provided a brief presentation with regards to the status of the ongoing rate design effort, and highlighted next steps in the process. A more detailed discussion will be scheduled with the Board Strategic Issues Committee. Questions by Board members were answered by Mr. Hannegan.

Agenda Item 9: Executive Session. 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 employment matters. All staff members 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.

Agenda Item 8: New Business.

Agenda Item 11: Continuation of Board Meeting. Chair Gilman recessed the meeting at 3:40 p.m. until the regular Board Meeting on **November 14, 2018**. The next meeting will be held at Holy Cross's office at 3799 Highway 82 in Glenwood Springs, Colorado.

Secretary – Robert H. Gardner

APPROVED:

Chair – Megan M. Gilman

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

- November 14, 2018 [*note date change*]; and
- December 19, 2018.

NOTE: The 2019 regular Board Meeting dates are tentatively scheduled for:

January 16, 2019; February 20, 2019; March 13, 2019 [note change from regular schedule due to school spring break]; April 17, 2019; May 15, 2019; June 19, 2019; July 17, 2019; August 21, 2019; September 18, 2019 (strategic planning?); October 16, 2019; November 20, 2019; and December 18, 2019.

Upcoming Meetings of Associated Organizations:

- 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.