

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

**DECEMBER 20, 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 Cooley Mesa office at 0132 Buckhorn Valley Blvd, Gypsum, CO 81637 in Eagle County at 9:05 a.m. on December 20, 2018.

Agenda Item 1: Roll Call. Chair Megan M. Gilman reported that six Directors were present being Megan M. Gilman, Kristen N. Bertuglia, Robert H. Gardner, Adam L. Palmer, David C. Munk, and Clemons M. Kopf; and Michael A. Glass was absent. Staff attending included Bryan J. Hannegan, President and Chief Executive Officer; David Bleakley, Vice President - Engineering; Bob Farmer, Vice President - Information Technology; John Rowley, Vice President - Human Resources; Cody O'Neil, Vice President - Glenwood District Operations; Rick Arnhold, Vice President - Eagle / Vail District Operations; Ladd Epp, IT; 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 November 14, 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 members of the public were present.

Agenda Item 4: Employee Recognition. None.

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 November 14, 2018 Regular Meeting
- b. Treasurer's Report
- c. Safety Operating Committee Minutes
- d. Power Supply Report
- e. Attorney's Report
- f. Staff Reports
- g. Board Committee Reports
  - i. Communications
  - ii. Finance
  - iii. Governance
  - iv. Strategic Issues
- h. Directors' Reports
  - i. Western United Electric Supply Corporation
  - ii. Colorado Rural Electric Association

Questions posed by Board members were answered by staff members. During the presentation Drew Schiller, Vice President - Finance; Jenna Weatherred, Vice President - Member and Community Relations; Steve Beuning, Vice President - Power Supply and Projects entered the Board room. Director Glass joined the meeting by telephone. Later Mr. Glass entered the room. Upon motion duly made, seconded, put to a vote and unanimously carried, it was **RESOLVED** that the items on the Consent Calendar be approved as presented. [10:05]

Agenda Item 6: 2018 Work Plan Accomplishments. President and CEO Hannegan gave a verbal presentation about the 2018 Work Plan Accomplishments. Written materials had been delivered to the Board prior to the meeting. Staff members gave additional information about the results. [10:37] A break was taken. [10:48]

Agenda Item 7: 2019 Work Plan.

Members of the senior staff made a verbal presentation on the 2019 Budget and Work Plans. The written segments of the 2019 Budget and Work Plans had been distributed prior to the Board Meeting. Questions from Board members were asked and answered by senior staff. Additional discussion will occur in the January Board meeting. [12:12]

A break for lunch was taken. [12:12 - 12:44]

Agenda Item 8: 2019 Operating and Capital Budget. President and CEO Hannegan presented a visual and verbal overview of the Operating and Capital Budget. Each member of senior staff made a verbal and visual presentation about each portion of the budget. After questions by and discussion among the Board members, a motion was made, seconded and unanimously carried and the following resolution was adopted:

**RESOLVED** that the 2019 Operating and Capital Budget be approved as presented. [13:18]

Agenda Item 11: Executive Session. Upon motion duly made, 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 Cyber and Physical Security Assessment and Guzman contract. All staff members remained in the Board room. A break was taken during the 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, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the Board exit executive session. [14:44]

After questions by and discussion among the Board members, a motion was made, seconded and unanimously carried and the following resolution was adopted:

**RESOLVED** that the President and CEO be authorized to sign a contract with Guzman Energy, LLC upon the terms presented to the Board of Directors with the details of the contract to be approved by the President and CEO. [14:45] Messrs. Epp and Gomez left the room.


Agenda Item 9: Old Business.

a. Cost of Service Study and Rate Design. Discussion occurred in a prior committee meeting. Feedback from members of the Board about how to approach rate design and rate levels was given. Staff's goal is to have new rates and tariffs in effect by July 1, 2019. Consensus about some of the goals was reached that will allow staff to further analyze the effects on customers occurred. [16:15]


Agenda Item 10: New Business. None.

Agenda Item 12: Continuation of Board Meeting. Chair Gilman recessed the meeting at 16:15 p.m. until the regular Board Meeting on January 16, 2019. The next meeting will be held

at Holy Cross's office at 3799 Highway 82 in Garfield County, Glenwood Springs, CO at 9:00 a.m.

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Secretary – Robert H. Gardner

APPROVED:

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Chair – Megan M. Gilman

NOTE: The 2019 regular Board Meeting dates are 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; [Annual Member Meeting is June 6, 2019]
- June 19, 2019;
- July 17, 2019;
- August 21, 2019;
- September 18, 2019;
- October 16, 2019;
- November 20, 2019; and
- December 18, 2019.

Upcoming Meetings of Associated Organizations:

- CREA Annual Meeting February 9-12, 2019 at Hilton Denver City Center in Denver [formerly the Marriott]. CREA encourages you to attend the NRECA Annual Meeting rather than the NRECA Directors Conference. The Directors Conference conflicts with the CREA Annual Meeting February 9-12.
- NRECA Directors Conference February 9-February 12, 2019, in San Antonio.
- NRECA Annual Meeting March 10-13, 2019 in Orlando-last day of meeting conflicts with March Board meeting.
- NRECA Legislative Conference April 28-30, 2019, in Washington, D.C.
- NRECA Summer School for Directors August 2-7, 2019, in Branson.
- NRECA Region 7 & 9 Meeting September 24-26, 2019, in Spokane.
- CREA Semi-annual Meeting and Energy Innovations October 26-30, 2019, Denver.
- NRECA Winter School for Directors December 12-18, 2019, in Nashville.