

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

**JANUARY 16, 2019**

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 9:10 a.m. [snow] on January 16, 2019.

Agenda Item 1: Roll Call. Chair Megan M. Gilman reported that four of the seven Directors were present in person being Megan M. Gilman, Robert H. Gardner, David C. Munk, and Clemons M. Kopf; and Kristen N. Bertuglia was present on the telephone; and Adam L. Palmer and Michael A. Glass were absent, but on the way to the meeting. 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; Steve Beuning, Power Supply and Programs; Drew Schiller, Vice President – Finance; Ladd Epp, IT Operations Supervisor and Shannon Epp, Journey Lineworker; 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 December 20, 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. Shannon Epp, Journey Lineworker in our Glenwood Operations Center is celebrating 10 years of service, and Ladd Epp, IT Operations Supervisor in our Glenwood Springs Headquarters is celebrating 10 years of service. The employees were recognized for their service to Holy Cross. During the presentation Director Glass entered the Board room. Shannon Epp left the Board room. [09:21]

Agenda Item 5: Consent Calendar. The following informational items were presented to the Board in the form of written reports and memoranda [during this item Director Palmer entered the Board room]:

- a. Minutes of December 20, 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. 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. [09:53]

Agenda Item 6: Old Business.

a. Wage and Compensation Trends Review. Tammeron Trujillo, Director of Human Resource Services at the Employer's Council entered the Board room, and she presented Consumer Price Index (CPI; inflation), employment cost, and salary information and projections based on national, state and industry data. A written report had been submitted to the Board prior to the meeting. This year, staff is making its recommendation to the Board concurrent with the Employer's Council review, not one month later as we have traditionally done in the past. This is caused by the change in our annual review cycle so as to deliver performance evaluations and wage adjustments on March 1<sup>st</sup> to be more compatible with calendar year goal setting and review. Vice President Rowley made additional comments. Ms. Trujillo and Mr. Rowley responded to questions from members of the Board. Ms. Trujillo left the Board room at the conclusion of her presentation.

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 employee compensation 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. All of the staff members remained in the Board room. Brian DeCrow, Safety Coordinator, and Michael Whiddon, Accounting Supervisor, entered the Board room during the executive session.

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

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

After the presentation and discussion among the Board, upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the wage range for all Holy Cross Energy positions be increased by 3.25%, effective March 1, 2019.

**FURTHER RESOLVED**, that effective March 1, 2018, that all other compensation and benefit programs will remain unchanged for 2019. [10:37] A short break was taken. Chair Gilman temporarily left the Board room. [10:42]

b. Annual Safety and Loss Report. Vice President Rowley gave a verbal presentation about the Report. The written version of the Report had been distributed prior to the Board Meeting. Mr. Rowley responded to questions from members of the Board. Brian DeCrow, Safety Coordinator, made additional comments about the report. During the presentation Chair Gilman entered the Board room. [11:00]

c. Bank Account Signatory Authorization. After a presentation by Vice President Schiller, and discussion among the Board, upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that that the officers and employees of Holy Cross Energy designated in the January 16, 2019, Board Memorandum entitled “Bank Account Signatory Authorization” be authorized, within the limitations set out in that Memorandum, to draw, sign and deliver, in the name of Holy Cross Energy, checks or drafts against the funds of Holy Cross Energy on deposit in its bank accounts as so described in that Memorandum. [11:02]

Agenda Item 7: New Business.

a. Deferred Revenue Authorization. After a presentation by Vice President Schiller, and discussion among the Board, upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that staff be directed to make the accounting changes necessary to recognize unbilled revenue, pay off RUS loan prepayment penalties, and adjust vehicle depreciation and Comanche 3 depreciation as described in Option 2 of the staff memo. [11:28] Mr. Whiddon left the Board room.

b. RMI Resilience Dialogue Proposal. A presentation was made by President and Chief Executive Officer Hannegan, with input from Vice President Arnhold. Discussion among the Board members followed. A motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the proposed consulting agreement for resilience dialogues with the Rocky Mountain Institute (RMI) be approved with the terms of the agreement to be negotiated by staff. [12:17]

Agenda Item 8: Lunch with Marketing and Communications.

A break for lunch was taken. [12:17 – 13:10]

Agenda Item 9: 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 expectations of the chief executive officer and the performance review process. All staff members except Mr. Hannegan 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, seconded, put to a vote and unanimously carried, the following resolution was adopted:

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

Agenda Item 10: Continuation of Board Meeting. Chair Gilman recessed the meeting at 14:\_\_\_ p.m. until the regular Board Meeting on **February 19, 2019. NOTE NEW DATE OF MEETING.** 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:

- February 19**, 2019; [note change from regular schedule]
- 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.