

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

JULY 17, 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, on July 17, 2019, at 9:06 a.m.

Agenda Item 1: Roll Call. Chair Megan M. Gilman reported that six of the seven Directors were present in person being Megan M. Gilman, Robert H. Gardner, David C. Munk, Adam L. Palmer, Kristen N. Bertuglia, and Larissa Read; and Clemons M. Kopf 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; Drew Schiller, Vice President – Finance; and Jenna Weatherred, Vice President - Member and Community Relations. General Legal Counsel Randolph W. Starr was present.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Gilman adjourned the meeting of the Board of Directors originally convened on June 19, 2019, that was continued to June 25, 2019, 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. [09:07]

Agenda Item 4: Employee Recognition. [deferred] [09:07]

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 June 19 and June 25, 2019 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. [09:41]

Agenda Item 6: Old Business.

a. Bank Account Signatory Authorization. Vice President Schiller made a verbal and visual presentation. After the presentation was concluded and questions posed by board members were answered, upon motion duly made, seconded, put to a vote and unanimously carried, it was **RESOLVED**, that the officers and employees of Holy Cross Energy designated in the July 17, 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.

[09:42]

b. Safety and Loss Quarterly Report. Vice President Rowley made a verbal and visual presentation on the Second Quarter Risk Management plan. Additional comments were made by Mr. Arnhold and Mr. Hannegan. [09:53]

c. Board Committee Assignments. Upon motion duly made, seconded, put to a vote and unanimously carried, it was

RESOLVED, that the Board appoint Directors to Board Committees as follows, with the Board Chair serving as ex-officio on all Board Committees:

i. Communications: Munk (Chair), Palmer, Bertuglia

ii. Finance: : Palmer (Chair), Gardner, Kopf

iii. Governance: Gardner (Chair), Kopf and Read

iv. Strategic Issues: Gilman (Chair), Bertuglia, Munk, Read [10:21]

A short break was taken. [10:21-10:46] Kevin Brehm and Mark Dyson from RMI entered the board room.

Agenda Item 7: New Business.

a. RMI Resilience Dialogue Report. A verbal and visual presentation was made by Kevin Brehm and Mark Dyson about their findings and insights from the effort. HCE staff commented on how this work will be taken forward in our future planning and community engagement efforts.

[11:25]

b. Annual Affirmative Action Plan Review. [11:58]

c. Sale of HCE owned Properties. After a presentation by Vice President Rowley and answers to questions by members of the board, upon motion duly made, seconded, put to a vote and unanimously carried, it was

RESOLVED, that the Board approve the listing for sale of the HCE-owned properties at 63 Whitetail Drive, New Castle Colorado; and 309 Aspen Airport Business Center, Apartment M, Aspen Colorado.

Agenda Item 8: Safety Week Lunch. [12:20-13:35]

Agenda Item 9: Strategic Planning Prep – Business Model Options. Chair Gilman led a discussion among the Board members about the upcoming Board strategic planning session.

President and Chief Executive Officer Hannegan made a verbal and visual presentation about the materials and subjects for the upcoming Board strategic planning session. Lengthy discussion among the Board members ensued. A short break in the meeting was taken during the discussion. Staff received direction from the comments by each Board member. [16:09]

Agenda Item 10: 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 power supply contract negotiations. 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.

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

RESOLVED that the Board exit executive session. [14:03]

Agenda item 11: Bryan Hannegan and Andrew Schiller presented the Board with information in preparation for the Board's Strategic Planning process which included financial forecasts and business model options.

Agenda Item 12 Continuation of Board Meeting. Chair Gilman recessed the meeting at 16:45 p.m. until **August 21, 2019, at 9:00 a.m.** [strategic planning only], and then will recess to the regular Board Meeting on **August 22, 2019, at 9:00 a.m.** [strategic planning only]. The next meetings will be held at Holy Cross's main office at 3799 Highway 82 in Garfield County, Glenwood Springs, CO.



Secretary – Robert H. Gardner

APPROVED:



Chair – Megan M. Gilman

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

- August 21-22, 2019 [strategic planning];
- September 18, 2019;
- October 16, 2019;
- November 20, 2019; and
- December 18, 2019.

Tentative schedule for 2020:

- January 15, 2020
- February 19, 2020
- March 11, 2020 [*Note this meeting date is changed from normal schedule*]
- April 15, 2020
- May 20, 2020
- June 17, 2020
- July 15, 2020
- August 19, 2020 (strategic planning)
- September 16, 2020
- October 21, 2020
- November 18, 2020
- December 16, 2020

Upcoming Meetings of Associated Organizations:

- 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.