

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

**DECEMBER 18, 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 December 18, 2019, at 9:08 a.m.

Agenda Item 1: Roll Call. Chair Megan M. Gilman reported that all of the seven Directors were present in person being Megan M. Gilman, Robert H. Gardner, Kristen N. Bertuglia, Larissa Read, Adam L. Palmer, David C. Munk and Clemons M. Kopf. Staff attending included Bryan J. Hannegan, President and Chief Executive Officer; David Bleakley, Vice President – Engineering; Bob Farmer, Vice President - Information Technology; Cody O’Neil, Vice President—Glenwood Operations; Rick Arnhold, Vice President – Eagle / Vail Operations; Drew Schiller, Vice President – Finance; John Rowley, Vice President - Human Resources; and Jenna Weatherred, Vice President—Member and Community Relations. General Legal Counsel Randolph W. Starr was present. Also present was Patrick Tvarkunas.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Gilman adjourned the meeting of the Board of Directors originally convened on November 20, 2019, and then continued to today’s meeting.

Agenda Item 3: Public Comment. Chair Gilman asked for comments of members of the public present. Mr. Tvarkunas made short comments. Board members introduced themselves.  
[09:01]

Agenda Item 4: Consent Calendar. The following informational items were presented to the Board in the form of written reports and memoranda:

- a. Minutes of November 20, 2019 Regular Meeting
- b. Treasurer’s Report
- c. Safety 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. [09:50]

Agenda Item 5: Old Business.

a. Auditor Selection. Vice President Schiller presented information about resubmission of the request for proposals for audit services due to a material change in one of the respondent's proposal. After discussion, upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the proposal from BKD to provide audit services to Holy Cross for the fiscal years ending April 30, 2020, April 30, 2021 and April 30, 2022, is hereby approved; and this action rescinds the prior action of the Board in the November 2019 Board meeting approving Jackson Thornton as the auditor. [10:19]

A short break was taken. [10:19-10:32]

b. Amendments to Corporate Policy 4.6—Voting and Elections. President and CEO Hannegan and Director Gardner made a presentation about the proposed changes to the Voting and Elections policy. Questions were posed by board members and responses to the questions were given by staff and legal counsel. Action on a revised Policy and presentation of bylaw changes to make the election policy changes consistent will be presented at the January Board meeting. [10:50]

Agenda Item 6: New Business.

a. 2020 Key Performance Indicators. Mr. Hannegan and other staff members made a presentation about the content of the Key Performance Indicators for the association. Discussion among the board members ensued. [11:30]

b. 2020 Department Work Plans. Discussion about the work plans continued from the November board meeting. [11:37]

c. 2020 Operating and Capital Budget. Vice President Schiller made a visual and verbal presentation. Questions by and discussion about the budget continued among Board members and Mr. Schiller and Mr. Hannegan. Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED** that the 2020 Operating and Capital Budget be approved as presented. [12:17]

Agenda Item 7: Lunch. A lunch break was taken. [12:17 to 13:15] Mr. Tvarunas left the board meeting after lunch.

Agenda Item 8: 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 long term strategic planning matters. All staff members remained in the Board room, except Ms. Weathered, Mr. Rowley and Mr. Farmer. [13:44]

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. During the session Mr. Starr, Mr. Bleakley, Mr. Arnhold and Mr. O'Neil left the Board room.

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

**RESOLVED** that the Board exit executive session. [16:01]

Agenda Item 6: New Business.

d. Board Meeting Dates. Chair Gilman asked that the April 2020 and May 2020 Board Meeting dates be moved to April 14 and May 13, respectively, at the request of Mr. Hannegan. After discussion, and upon hearing no objection from any Director, staff were directed to change the meeting dates accordingly. [16:05]

Agenda Item 9: Continuation of Board Meeting. Chair Gilman recessed the meeting at 16:06 p.m. until **January 15, 2020 at 9:00 a.m.** The next meeting will be held at Holy Cross' main office at 3799 Highway 82 in Garfield County, Glenwood Springs, CO in Eagle County.

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Secretary – Robert H. Gardner

APPROVED:

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Chair – Megan M. Gilman

The Holy Cross Energy Board Meeting schedule for 2020:

- January 15, 2020
- February 19, 2020
- March 11, 2020 [*Note this meeting date is changed from normal schedule*]
- April 14, 2020 [*Note this meeting date is changed from normal schedule*]
- May 13, 2020 [*Note this meeting date is changed from normal schedule*]
- 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:

- CREA Annual Meeting February 8 to February 11 in Denver.
- NRECA Annual Meeting February 27-March 1, 2020, in New Orleans
- NRECA Director Conference April 3-7, 2020, in Kansas City
- NRECA Legislative Conference April 26-28, 2020, in Washington, D.C.
- Holy Cross Annual Member meeting June 3 at Spring Creeks Ranch, 854 North 8th Street, Carbondale, CO
- NRUCFC Forum June 15-17, 2020, in Salt Lake City
- CoBank Energy Directors Conference July 13-15, 2020, in Colorado Springs
- NRECA Region VII/IX September 29-October 1, 2020, in Omaha
- CREA Fall Member Meeting October 10-13, 2020, in Denver