

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

SEPTEMBER 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 September 18, 2019, at 9:04 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, Kristen N. Bertuglia, Clemons M. Kopf, and Larissa Read; and Adam L. Palmer was absent. Staff attending included Bryan J. Hannegan, President and Chief Executive Officer; David Bleakley, Vice President - Engineering; John Rowley, Vice President - Human Resources; Rick Arnhold, Vice President – Eagle / Vail District Operations; Steve Beuning, Vice President – Power Supply and Programs; Drew Schiller, Vice President – Finance; and Jenna Weatherred, Vice President - Member and Community Relations. Employees present were Jill Skramstad, Mitch Mulhall, Leah Feeley and Russell Winder. 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 August 21-22, 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. [09:04]

Agenda Item 4: Employee Recognition. Jill Skramstad, Benefits Administrator in our Glenwood Springs Headquarters is celebrating 30 years of service. Mitch Mulhall, AMI/GIS Technician in our Glenwood Springs Headquarters celebrating 5 years of service. Leah Feeley, Accountant I in our Glenwood Springs Headquarters is celebrating 5 years of service. Russell Winder, Manager Construction Engineering in our Glenwood Springs Headquarters is celebrating 5 years of service. At the conclusion of the presentation the employees left the board room, except for Mr. Winder. [09:17]

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 August 21-22, 2019 Regular Meeting [strategic planning]
- 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. [09:38]

Agenda Item 6: Old Business.

a. 2018 Financial Audit Report. The audit of Holy Cross's financial records for the fiscal year ended April 30, 2019, was presented to the Finance Committee that met with the auditor. Mr. Schiller reported on the committee meeting. The audit was delivered to the Board prior to the meeting. Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that the audit of the financial statements of Holy Cross for the fiscal year ended April 30, 2019, be accepted. [09:40]

b. Key Ratio Trend Analysis 2018: Mr. Schiller gave a presentation about the NRUCFC Key Ratio Trend Analysis that had been sent to the Board prior to the meeting. Questions from Board members were answered by Mr. Schiller, and input was given by Mr. Hannegan and other staff members on various ratios. [09:42]

c. 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, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that the proposal by staff as presented with a total 2020 plan expense of \$5,605,875 was approved. [09:49]

d. Proposed Change to Corporate Policies 1.1 through 2.4. A presentation was made by Director Gardner and Mr. Hannegan about the changes to Corporate Policies 1.1 through 2.4. A "blackline" version of the changes to the Policies had been prepared by the Governance Committee with staff input and presented to the Board prior to the meeting. Messrs. Gardner and Hannegan answered questions during discussion by the Board.

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

RESOLVED, that the Board of Directors approves the proposed revisions to Corporate Policies 1.1 through 2.4 effective on October 1, 2019, as presented to the Board prior to the meeting as shown in the attachment to the minutes. [09:52]

Agenda Item 7: New Business.

a. Construction Work Plan. Mr. Winder made a verbal presentation on the proposed 2020-2030 Construction Work Plan and sought the Board's feedback prior to its incorporation into future year operating and capital budgets. The written segments of the 2020-2030 Work Plan had been distributed prior to the Board Meeting. The HCE Engineering team has created a single, "living", 10-year Construction Work Plan that will be updated on a regular basis as conditions warrant. Questions from Board members were asked and answered by senior staff. During the discussion

director Palmer joined the board meeting [10:32] on the telephone. [10:42] Mr. Palmer terminated the telephone appearance. Mr. Arnhold left the board meeting.

A short break was taken. [10:42-11:02]

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 enterprise risk management. All staff members remained in the Board room. During the discussion director Palmer entered the board room. [11:29]

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. [11:53]

Director Munk had additional comments about the summer family event sponsored by HCE and the benefits to the employees with a thank you letter to the employees. [11:56]

Agenda Item 9: Lunch and Glenwood Campus Solar Installation Site Tour. A break for lunch was taken and then a tour was conducted. At the end of the executive session, the Chair continued the meeting as follows.

Agenda Item 10: Continuation of Board Meeting. Chair Gilman recessed the meeting at 11:56 p.m. until **October 16, 2019, at 9:00 a.m.** 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:

- October 16, 2019;
- November 20, 2019 at Cooley Mesa; 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 Region 7 & 9 Meeting September 24-26, 2019, in Spokane.
- WUESC Fish Fry September 29 at WUESC office in Brighton.
- HCE Board Meeting October 16, 2019.
- CREA Semi-annual Meeting and Energy Innovations October 26-30, 2019, Denver.
- NRECA Winter School for Directors December 12-18, 2019, in Nashville.