

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

NOVEMBER 20, 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 Cooley Mesa office at 0132 Buckhorn Valley Boulevard, Eagle County, Gypsum, CO, on November 20, 2019, at 9:00 a.m.

Agenda Item 1: Roll Call. Chair Megan M. Gilman reported that five of the seven Directors were present in person being Megan M. Gilman, Robert H. Gardner, Kristen N. Bertuglia, Larissa Read, and Adam L. Palmer. David C. Munk and Clemons M. Kopf were absent. 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 District Operations; 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. 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 October 16, 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. [09:01]

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 October 16, 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. During the presentation Director Munk and Director Kopf entered the Board 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 with a minor edit to the minutes. [10:02]

Agenda Item 5: Old Business.

a. Uncollectable Debt. Vice President Schiller presented the list of accounts that are uncollected and that should be declared as uncollectable, totaling \$ 36,203.87 (July 1 through October 31, 2019). The list had been presented 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 attached list of accounts receivable, totaling \$ 36,203.87, was declared uncollectable and the accounts should be written off of the financial records of Holy Cross. [10:13]

b. Annual Meeting Date. A verbal and visual presentation was made about the staff's choice of a date and a venue by Mr. Craig Tate who entered the Board room. Questions were posed by board members and responses to the questions were given by staff. Upon motion duly made, seconded and unanimously carried,

RESOLVED, that the date of the annual meeting of members of Holy Cross was set for June 3, 2020. Location to be at Spring Creeks Ranch, 854 North 8th Street, Carbondale, CO 81623. [10:25]

c. Auditor Selection. Vice President Schiller gave a presentation about the selection of an auditor for Holy Cross for fiscal years 2020 and 2021, and current activities. After discussion by the Board, upon motion duly made, seconded and unanimously carried, the following resolution was adopted:

RESOLVED, that a proposal from the accounting firm of Jackson Thornton, dated September 30, 2019, to provide audit services to Holy Cross for the fiscal years ending April 30, 2020, and April 30, 2021, is hereby approved. [10:27]

A break was taken. [10:27-10:41]

d. Amendments to Tariffs, Rates and Regulations:

A presentation was made by Vice President Schiller about the proposed changes to the Tariffs, Rates and Regulations of Holy Cross. Questions posed by Board members about the various new tariffs. The questions were answered by Mr. Schiller. A motion was made and seconded to adopt the following resolution:

RESOLVED, that the Peak Time Rebate Tariff shall be amended to exclude net metered customers.

Discussion ensued among the board members about the change in the PTR Tariff. After discussion the motion was lost by a majority vote.

Further discussion ensued about the effective date of the tariffs. Upon motion duly made, seconded, put to a vote, and carried by a majority vote with Director Gardner dissenting, the following resolution was adopted:

RESOLVED, that the proposed changes to the HCE Tariffs, Rates and Regulations be approved and that members be notified that such changes will be implemented beginning with billing cycles after January 1st, 2020. [11:09]

e. Corporate Policies 4.4, 4.5, 4.6, 4.7 5.1, and 6.1:

A presentation was made by Director Gardner and Mr. Hannegan about the changes to Corporate Policies 4.4, 4.5, 4.6, 4.7, 5.1, and 6.1. 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 4.4 effective on November 20, 2019, as presented to the Board prior to the meeting as shown in the attachment to the minutes.

Additional discussion ensued about the changes to each policy. Comments were made by staff about proposed changes to the policies.

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 4.5 effective on November 20, 2019, as presented to the Board prior to the meeting as shown in the attachment to the minutes.

Additional discussion ensued. Due to additional changes to Policy 4.6 action was deferred to the December Board meeting.

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 4.7 effective on November 20, 2019, as presented to the Board prior to the meeting as shown in the attachment to the minutes.

Additional discussion ensued.

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 5.1 effective on November 20, 2019, as presented to the Board prior to the meeting as shown in the attachment to the minutes.

Additional discussion ensued.

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 6.1 effective on November 20, 2019, as presented to the Board prior to the meeting as shown in the attachment to the minutes.

[11:35]

Agenda Item 6: New Business.

a. NRECA RC3 Cyber Program Letter of Support. Mr. Farmer made a verbal presentation about the proposed approval of support for the RC3 Cyber Program of NRECA in addition to the written materials presented to the Board prior to the meeting. After discussion upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED, that the Chair of the Board of Directors sign the provided letter of support for Holy Cross's RC3 Online Self-Assessment application. [11:39]

b. 2020 Department Work Plans. During the discussion an executive session was required to be taken: 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 data disclosure matters. All staff members remained in the Board room. [11:42]

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. [11:55]

Agenda Item 7: Lunch. A lunch break was taken. [11:55 to 13:02]

b. 2020 Department Work Plans [continued]. Members of the senior staff made a verbal presentation on the 2020 Work Plans. The written segments of the 2020 Work Plans had been distributed prior to the Board Meeting. Questions from Board members were asked and answered by senior staff. Action on the Work Plans and Budget will occur at the December Board meeting. [15:07]

Additional discussion ensued about rebates for various programs by Director Kopf. The proposal will be discussed by the Board Strategic Issues Committee and then presented at a Board meeting in the first quarter of the next year. [15:20]

Agenda Item 9: Continuation of Board Meeting. Chair Gilman recessed the meeting at 15:23 p.m. until **December 19, 2019, 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

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

December 18, 2019.

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 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 Winter School for Directors December 12-18, 2019, in Nashville.
- 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