

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

FEBRUARY 19, 2020

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 February 19, 2020 at 9:04 a.m.

Agenda Item 1: Roll Call. Chair Megan M. Gilman reported that all the seven Directors were present in person being Megan M. Gilman, Robert H. Gardner, Kristen N. Bertuglia, David C. Munk and Clemons M. Kopf; and Larissa Read and Adam L. Palmer were absent. Staff attending included Bryan J. Hannegan, President and Chief Executive Officer; Steve Beuning, Vice President – Power Supply and Programs; 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; 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.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Gilman adjourned the meeting of the Board of Directors originally convened on December 18, 2019, and then continued to February 5, 2020 for a special board meeting, and then continued to today’s meeting.

Agenda Item 3: Public Comment. Chair Gilman asked for comments of members of the public present. There were no comments as there were no members of the public present. [09:04]

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 January 15, 2020 Regular Meeting
- b. Minutes of February 5, 2020 Special Meeting
- c. Treasurer’s Report
- d. Safety Committee Minutes
- e. Power Supply Report
- f. Attorney’s Report
- g. Staff Reports
- h. Board Committee Reports
 - i. Communications
 - ii. Finance
 - iii. Governance
 - iv. Strategic Issues
- i. 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 report Director Palmer and Director Read 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. [10:16] Hillary Dobos, Co-owner and Principal of Lotus Engineering and Sustainability, and staff members Manuel Gomez, Lisa Reed, Seth Paris and Brad Jones entered the Board room.

Agenda Item 5: Old Business.

a. Appointment of Elections Committee. Vice President Weatherred made a written and verbal presentation about the requirement of the Voting and Elections Policy to name a CPA firm to oversee the election of directors and to appoint an Election Supervisory Committee. After discussion by the Board, upon motion made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that the Board appoints the Certified Public Accounting firm of Tapp & Associates, Inc. to receive, prepare and secure return envelopes containing ballots, and tabulate ballots and report voting results to the Board of any contested Board of Directors election in 2020.

FURTHER RESOLVED that the Board appoints and Election Supervisory Committee consisting of Randolph W. Starr, Holy Cross Energy's general legal counsel; Donald Tapp, CPA from Tapp & Associates, Inc., CPA firm; and Jenna Weatherred, Vice President - Member and Community Relations, to oversee the election and voting process of any contested Board of Directors election in 2020. [10:19]

b) Year End Financial Review. Vice President Schiller with input from President and Chief Executive Officer Hannegan presented a verbal and visual presentation about the calendar year-end financial statement for 2019. The written version of the report had been distributed prior to the Board Meeting. Mr. Schiller and Mr. Hannegan responded to questions from members of the Board. After discussion, upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED, that the revised financial statement for calendar year end 2019 be approved as presented; and

FURTHER RESOLVED, that the deferral of \$5,000,000 in 2019 revenue to fiscal year 2020 be approved; and

FURTHER RESOLVED, that the amended 2020 Operating Budget be approved as presented. [10:35]

A short break was taken. [10:35-10:49]

Agenda Item 6: New Business.

a. GHG Audit Results and Presentation. Vice President Schiller gave a verbal introduction of the topic. Ms. Dobos gave a verbal and visual presentation about the results of the 2019 audit of greenhouse gas reductions achieved by Holy Cross. The written version of the report had been distributed prior to the Board Meeting. Questions were posed by Board members to Ms. Dobos about the report and they responded to the questions. Discussion among the Board members ensued. A consensus general direction to staff was given. [11:46]. Ms. Dobos, Ms. Reed, Mr. Paris and Mr. Jones left the Board room.

b. Member Satisfaction Survey. Vice President Weatherred made a verbal and visual presentation about the results of the member satisfaction survey conducted by Holy Cross. The

written version of the report had been distributed prior to the Board Meeting. Discussion among the Board members ensued. [12:01]

Agenda Item 7: Lunch. A lunch break was taken. [12:01 to 12:53]

Agenda Item 5: Old Business. [Continued]

b. Network Communications and Broadband. Vice President Farmer gave a verbal and visual presentation about the network communications and broadband of Holy Cross. The written version of the report had been distributed prior to the Board Meeting. Mr. Farmer and Mr. Gomez responded to questions from members of the Board. [14:12]

A short break was taken. [14:12 to 14:22]

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 review of 2019 Board expenses and CEO performance review 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 the staff members including Mr. Hannegan left the Board room. During the discussion Mr. Hannegan reentered the Board room. During the discussion Mr. Starr left the Board room. During the discussion Director Kopf left the Board room.

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

RESOLVED that the Board exit executive session. [17:35]

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

RESOLVED that the President and CEO be compensated in the amount shown in the Addendum signed by the Chair to be delivered to the Human Resources Department with the compensation to become effective on March 1, 2020. Benefits will be provided under the normal benefits for other employees of Holy Cross. [17:38]

Agenda Item 9: Continuation of Board Meeting. Chair Gilman recessed the meeting at 17:40 p.m. until **March 18, 2020 at 9:00 a.m.** The next meeting will be held at Holy Cross' Cooley Mesa office at 0132 Buckhorn Valley Boulevard, Eagle County, Gypsum, CO.



Secretary – Robert H. Gardner

APPROVED:



Acting Chair – David C. Munk

The Holy Cross Energy Board Meeting schedule for 2020:

- March 18, 2020—Cooley Mesa Office [*Note this meeting date is changed from normal schedule*]
- April 14, 2020—Glenwood Springs Office [*Note this meeting date is changed from normal schedule*]
- May 13, 2020—Cooley Mesa Office [*Note this meeting date is changed from normal schedule*]
- June 3, 2020—Holy Cross Annual Member meeting at Spring Creeks Ranch, 854 North 8th Street, Carbondale, CO
- June 17, 2020—Glenwood Springs Office
- July 15, 2020—Glenwood Springs Office
- August 19, 2020 (strategic planning)—TBD
- September 16, 2020—Glenwood Springs Office
- October 21, 2020—Glenwood Springs Office
- November 18, 2020—Cooley Mesa Office
- December 16, 2020—Glenwood Springs Office

Upcoming Meetings of Associated Organizations:

- NRECA Director Conference April 3-7, 2020, in Kansas City
- NRECA Legislative Conference April 26-28, 2020, in Washington, D.C.
- 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