

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

JULY 15, 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 main office at 3799 Highway 82 in Garfield County, Glenwood Springs, CO, on July 15, 2020 at 9:04 a.m. The meeting was held in webcast format with all Board members and staff appearing by electronic medium hosted through Holy Cross’s main office. The meeting was held during a time that the President of the United States and the Governor of the State of Colorado have declared a State of Emergency and ordered that no large groups of people meet in person due to the spread of COVID-19 virus. Notice of the meeting was given in accordance with Colorado law and the bylaws of Holy Cross. Each Board member and each staff member participated in the meeting in accordance with Section 5.6 of the bylaws.

Agenda Item 1: Roll Call. Chair David C. Munk reported that all the seven Directors were present in person being Robert H. Gardner, Kristen N. Bertuglia, David C. Munk, Adam Quinton, Adam L. Palmer, David S. Campbell, and Alexander DeGolia [in process of connecting]. 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; Andrew Schiller, Vice President – Finance; John Rowley, Vice President - Human Resources; and Jenna Weatherred, Vice President—Member and Community Relations. On the webcast were employees Ladd Epp and Betsey Seymour, and General Legal Counsel Randolph W. Starr. Also present on the webcast was employee Amy Lines.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Munk adjourned the meeting of the Board of Directors originally convened on June 17, 2020, and then continued to today’s meeting. [09:04]

Agenda Item 3: COVID-19 Update and Impact Assessment. President and CEO Hannegan gave an update about the effects of the declaration of a state of emergency and the other government orders regarding COVID-19 have affected Holy Cross’s operations. Additional comments were made by senior staff. Questions from Board members were answered by Mr. Hannegan and staff members. [09:45]

Agenda Item 4: Public Comment. Chair Munk asked for comments of members of the public present. No comments were received. [09:47]

Agenda Item 5: Employee Recognition. Chris Jerome, Member Services Representative – Member Equity at our Glenwood Springs Headquarters is celebrating 15 years of service. Amy Lines, Member Services Representative at our Glenwood Springs Headquarters is celebrating 5 years

of service. Betsey Seymour, Executive Assistant at our Glenwood Springs Headquarters is celebrating 5 years of service. [10:02]

Agenda Item 6: Consent Calendar. The following informational items were presented to the Board in the form of written reports and memoranda:

- a. Minutes of June 17, 2020 Regular Meeting
- b. Treasurer's Report
- c. Safety Committee Minutes
- d. Power Supply Report
- e. Legislative and Regulatory Report
- f. Attorney's Report
- g. Staff Reports
- h. Board Committee Reports
 - a. Communications
 - b. Finance
 - c. Governance
 - d. 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 questions Director Palmer and Director Bertuglia left the meeting and then returned to the meeting. 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. [10:54]
A break was taken. [10:54 to 11:08]

Agenda Item 7: Board Governance Training. To be conducted later on the agenda.

Agenda Item 8: Old Business.

- a. Quarterly Safety and Loss Report. Vice President Rowley made a verbal and visual presentation on the Second Quarter Risk Management plan. During the questions Director Palmer and Director Bertuglia left the meeting and then returned to the meeting. Questions posed by Board members were answered by Mr. Rowley. [11:19]
- b. Bank Account Authorizations. 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 15, 2020 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. [11:22]
- c. Affirmative Action Plan Review. Vice President Rowley made a verbal and visual presentation on steps Holy Cross Energy is taking to develop and maintain a more diverse workplace, and to comply with Federal laws regarding Affirmative Action. Questions posed by Board members were answered by Mr. Rowley. [11:35]

Agenda Item 9: New Business.

- a. Community Solar Facility Acquisitions. Steve Beuning and Lisa Reed informed the Board about a potential decision to acquire certain assets and liabilities of Clean Energy Collective (CEC). CEC notified HCE on April 28 of their intention to terminate the management of their community solar project operations, including the four HCE projects. CEC has offered to transfer to HCE ownership of the assets and liabilities associated with three of the four projects serving HCE members for the sum of \$1 per array. The three projects are the two Garfield County Airport Solar Arrays in Rifle and the Mid-Valley Solar Array in Carbondale. The Sunnyside project in Carbondale will become available for potential purchase by HCE in 2021. The Board discussed the proposal and Mr. Beuning and Ms. Reed responded to questions from Board members. Upon motion duly made, seconded, put to a vote and carried unanimously, the following resolution was adopted:

RESOLVED, that the President and CEO be authorized to negotiate with Clean Energy Collective a purchase of the Garfield County Airport Solar Arrays I and II and the Mid-Valley Solar Array on substantially the same terms and conditions as described in the draft Asset Purchase Agreements.

[12:40]

A break for lunch was taken. [12:40-13:17]

- b. Amendments to Corporate Policies.
- i. Corporate Policy 4.6 – Voting and Elections
 - ii. Corporate Policy 4.7 – Delegation of Authority to the President and CEO
 - iii. Corporate Policy 4.8 – Director Mobile Devices

A presentation was made by Director Gardner and Mr. Hannegan about the changes to Corporate Policies 4.6 through 4.8. 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 and Farmer 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 4.6 through 4.7 and new Policy 4.8 be adopted effective on July 15, as presented to the Board prior to the meeting as shown in the attachment to the minutes. [13:39]

- c. Employee Housing Programs Budget Amendment. Vice President Schiller and Mr. Hannegan gave a presentation about proposed changes to the HCE employee housing programs, including HCE-owned rental units and HCE-provided mortgage assistance, and seek approval of those changes. The mortgage assistance program was initially authorized at the December 2017 Board Meeting by way of approving the operating and capital budgets for 2018. This program was initially approved at \$500,000 and is currently fully subscribed. The staff also proposed to direct \$150,000 of the proceeds from the sale of the HCE properties to replenish the now-depleted mortgage assistance fund. The remaining sale proceeds would be held for later use. The Board Finance Committee recommends that the Board adopt these proposed changes. The Board discussed the proposed changes and Mr. Schiller responded to questions from Board members. Upon motion duly made, seconded, put to a vote and carried unanimously, the following resolutions were adopted:

RESOLVED, that the 2020 capital budget be amended to include a new line item of \$100,000 for the conversion of the underutilized Cooley Mesa building to employee housing; and

FURTHER RESOLVED, that the 2020 capital budget be amended to include an additional \$150,000 for the mortgage assistance program. [13:55]

Agenda Item 7: Board Governance Training. Attorney Starr prepared and had distributed educational material about cooperative director fiduciary and other duties. Attorney Starr reviewed the statutory and bylaw requirements of a cooperative director. Board members posed questions that were answered by Mr. Starr during the presentation. At the conclusion of the presentation, a pop quiz was presented by Mr. Starr for educational purposes. [14:54]

Agenda Item 10: Executive Session. None. [14:54] Chair Munk discussed an award received for Holy Cross. [14:58]

Agenda Item 11: Continuation of Board Meeting. Chair Munk recessed the meeting at 14:58 p.m. until **August 19, 2020 at 9:00 a.m.** The next meeting will an executive session strategic planning meeting to be held at Holy Cross' main office at 3799 Highway 82 in Garfield County, Glenwood Springs, CO. Depending on the status of the COVID-19 pandemic, the meeting may again be conducted electronically.



Secretary – Kristen N. Bertuglia

APPROVED:



Chair – David C. Munk

The Holy Cross Energy Board Meeting schedule for 2020:

- 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 Region VII/IX October 14-16, 2020, virtual online meeting
- CREA Fall Member Meeting October 10-13, 2020, Grand Hyatt, 1750 Welton St, Denver, CO 80202

The following NRECA events have been canceled due to COVID-19 concerns:

- Tax, Finance & Accounting Conference for Cooperatives, Aug. 2-5, Portland, Ore.
- Legal Seminar, Aug. 10-12, Park City, Utah
- Interact, Aug. 17-20, Tampa, Fla.