

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

SEPTEMBER 16, 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 September 16, 2020 at 9:03 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 called the meeting to order and reported that all the seven Directors were present being Robert H. Gardner, Kristen N. Bertuglia, David C. Munk, Adam Quinton, Adam L. Palmer, David S. Campbell, and Alexander DeGolia. 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.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Munk adjourned the meeting of the Board of Directors originally convened on August 19, 2020, and then continued to today’s meeting. [09:03]

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. Questions from Board members were answered by Mr. Hannegan and staff members. [09:34]

Agenda Item 4: Public Comment. Chair Munk asked for comments of members of the public present. No comments were received, and no members of the public were on the call. [09:34]

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 19, 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. 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. [10:22]

Agenda Item 6: Fire Risk Mitigation Impacts on System Reliability. Mr. Bleakley gave a verbal and written presentation to the Board about the recent impacts to system reliability from operating with "fire protection" settings during the past several weeks. Hot and dry conditions during mid-August led to the issuance of Stage 2 Fire Restrictions across the HCE service territory. To guard against the risk of fire ignition from our system, HCE implemented its "fire protection" settings 24/7 until early September when a winter storm moved through the area. During this time, HCE members experienced an increased number of outages. The Board was briefed on these impacts and options for reducing reliability issues while continuing to provide wildfire risk mitigation. [10:43]

A short break was taken. [10:43 - 10:55]

Agenda Item 7: Energy Imbalance Market Options for Colorado. Mr. Hannegan gave a verbal and written presentation to the Board about the results of a study commissioned by HCE and Intermountain Rural Electric Association on wholesale power market options for Colorado. The study evaluated a status quo baseline assuming the WEIS and expanded EIM operations. The study then evaluated three alternative market scenarios. The three alternatives included:

- Consolidation of WEIS to cover all of Colorado
- Expansion of the EIM footprint to add the WAPA Balancing Area
- Operation of a stand-alone Colorado market

The study determined the greatest level of benefits would result from further expansion of the CAISO EIM and elimination of the WEIS development. A copy of summary of project details, timelines and status was provided in the associated presentation materials. Dr. Christopher T M Clack of Vibrant Clean Energy, the Boulder-based consulting firm that was hired to conduct the study, presented the main findings to the Board and answered questions. [11:58]

Agenda Item 8: Old Business.

- a. IRS Form 990 Approval. Mr. Schiller gave a verbal and written presentation to the Board on the requirement for filing of the 2019 IRS Form 990. Mr. Schiller responded to questions from Board members. Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED, that HCE staff be directed to file the 2019 IRS Form 990 and publish the filed return on the HCE website. [12:01]

- b. Health and Welfare Trust Renewal. 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 Health and Welfare Trust proposal as presented by staff be approved, with a total budgeted 2021 plan expense of \$4,780,000. [12:26]

A break for lunch was taken. [12:26 - 13:01]

- c. Member Bill Payment Assistance Program. Ms. Weatherred gave a verbal and written presentation to the Board concerning their recommendation for an increase in the Member Bill Payment Assistance program limits of \$250 or \$500 to \$1000 in aggregate to provide small commercial businesses with additional support. Ms. Weatherred responded to questions from Board members. Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:
RESOLVED, that the original Member Bill Payment Assistance limits for members taking service under the General Services - Small tariff be increased to \$200 per month and \$1000 total (whether all-electric or not) through the end of 2020. [13:05]

Agenda Item 9: New Business.

- a. Broadband Right of Use Agreement. Mr. Farmer gave a verbal and written presentation to the Board regarding a request to enter an Infeasible Right of Use (IRU) Agreement with Visionary Communication, Inc. d/b/a Mammoth Networks for 132 strands of fiber optic cable. A draft of the agreement was provided to the Board. Mr. Farmer responded to questions from Board members. Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:
RESOLVED, that the Infeasible Right of Use Agreement with Visionary Communications, Inc. d/b/a Mammoth Networks be approved and the President and CEO be authorized to sign the Agreement as presented; and staff is granted the power to make minor modifications in the wording of the Agreement before it is signed. [13:13]
- b. RFP Power Purchase Agreements. Mr. Beuning gave a verbal and written presentation to the Board for its review and approval of a subset of Power Purchase Agreements (PPAs) negotiated from the 2020 Resource Plan Request for Proposals. In December 2019 HCE issued an all-source solicitation for clean and renewable resources pursuant to its resource planning process. Over 51 proposals were submitted. HCE staff reviewed all proposals and presented a short-list of recommended projects to the Strategic Issues Committee on May 5, 2020. Staff subsequently engaged in negotiations to develop PPAs with short-listed projects, and a subset of those PPAs were ready for consideration by the full Board. Additional PPAs will be brought forward at upcoming Board meetings later this year. The PPAs recommended by HCE staff for consideration today include:
- Orchard Mesa Hydro project
 - AES Davis (solar + storage) project
 - AES Klebold (solar + storage) project

A summary of project information, timelines and status was provided in the associated presentation materials. Due to the ongoing and commercially sensitive negotiation activities in the resource plan solicitation, confidential copies of the near-final PPAs at the time of this meeting were included in the Call to Order meeting materials. Mr. Beuning responded to questions from Board members. Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED, that the Board of Directors approves the PPAs and authorizes the President and CEO to sign the PPAs identified in the staff memorandum subject to conclusion of negotiations on terms and conditions substantially similar to those presented in the staff presentation. [13:47]

Agenda Item 10: 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 Broadband Easements, Enterprise Risk Assessment and Strategic Planning Gap Analysis 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 staff members remained in the meeting including Mr. Hannegan and Mr. Starr. Mr. Palmer left the executive session portion of the meeting for most of the session, and Mr. Gardner left the meeting at approximately 3 p.m.

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

RESOLVED, that the Board exit executive session. [15:20]

Agenda Item 11: Adjourn Board Meeting. Chair Munk continued the meeting at 15:20 p.m. until **October 21, 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. Depending on the status of the COVID-19 pandemic, the meeting may again be conducted electronically.

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Secretary – Kristen N. Bertuglia

APPROVED:

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Chair – David C. Munk

The Holy Cross Energy Board Meeting schedule for 2020:

- October 21, 2020—Glenwood Springs Office—virtual—TBD
- November 18, 2020—Cooley Mesa Office—virtual—TBD
- December 16, 2020—Glenwood Springs Office—virtual—TBD

Upcoming Meetings of Associated Organizations:

- o NRECA Region VII/IX October 14-16, 2020, virtual online meeting

Tentative upcoming Holy Cross Energy Board Meeting Schedule for 2021:

January 20, 2021

February 17, 2021

March 17, 2021

April 21, 2021

May 19, 2021

The Annual Meeting of the Members will be held on June __, 2021 at 4:00 p.m.

June 16, 2021

July 21, 2021

August 18, 2021 (strategic planning)

September 15, 2021

October 20, 2021

November 17, 2021

December 15, 2021