

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

**OCTOBER 21, 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 October 21, 2020 at 9:00 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 Diane Muscianisi, IT Operations Supervisor, Ladd Epp, Betsey Seymour, Russ Winder 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 September 16, 2020, and then continued to a special board meeting on October 9, 2020, and then continued to today’s meeting. [09:00]

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. [09:35]

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. [09:35]

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 September 16, 2020 Regular Meeting
- b. Minutes of October 9, 2020 Special Meeting
- c. Treasurer’s Report

- d. Safety Committee Minutes
- e. Power Supply Report
- f. Legislative and Regulatory Report
- g. Attorney's Report
- h. Staff Reports
- i. 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

- a. **RESOLVED**, that the items on the Consent Calendar be approved as presented. [10:25]

A break was taken. [10:25 - 10:35]

Agenda Item 6: Old Business.

- b. Quarterly Safety and Loss Report. Vice President Rowley made a verbal and visual presentation on the Third Quarter Safety and Loss Report and on the 2020 Safety Improvement plan. [10:44]
- c. Key Ratio Trend Analysis 2019: 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. [11:09]
- c. Member Equity Distribution. Vice President Schiller presented a recommendation for distribution of accrued and unpaid capital credits to the members of Holy Cross. The recommendation is in accordance with the Articles of Incorporation, Bylaws and Policies of Holy Cross. Vice President Schiller reviewed the member equity allocations and refund options for 2020. Discussion among the board members ensued and questions posed to Mr. Schiller and Mr. Hannegan were answered.  
Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:  
**RESOLVED**, that 1/25<sup>th</sup> of the allocated margins balance from 2005 to 2019, of approximately \$2,530,617, shall be refunded to members on a first-in first-out basis in December 2020. [11:14]
- d. Designation of External Representatives. On October 16, Director Gardner submitted a letter of resignation as HCE's representative to the Colorado Rural Electric Association (CREA) Board. In 2019, the HCE Board changed the nomination process to allow any Director to express their interest in a specific Officer position or positions, the Colorado Rural Electric Association Board representative, the Western United Electric Supply Corp. Board representative or the Holy Cross Round Up Foundation Board representative by nominating themselves in writing. The following directors expressed an interest in election to the position of CREA Directors: Adam Palmer and Adam Quinton. Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED**, that Adam Quinton is elected as HCE’s Director to the CREA Board of Directors, and Adam Palmer is elected as HCE’s Alternate Director to the CREA Board of Directors. [11:39]

Agenda Item 7: New Business.

- a. Construction Engineering Capital Plan 2021-2030. Mr. Winder made a verbal presentation on the proposed 2021-2030 Construction Engineering Capital Plan and sought the Board’s feedback prior to its incorporation into future year operating and capital budgets. The written segments of the 2021-2030 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 staff. [11:56]
- b. Information Technology Capital Plan 2021-2030. Mr. Farmer made a verbal presentation on the proposed 2021-2030 Information Technology Capital Plan and sought the Board’s feedback prior to its incorporation into future year operating and capital budgets. The written segments of the 2021-2030 IT Capital Plan had been distributed prior to the Board Meeting. Questions from Board members were asked and answered by senior staff. [12:11]

A break for lunch was taken. [12:11 - 13:06]

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 power supply contract negotiations and Enterprise Risk Assessment.

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.

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

**RESOLVED**, that the Board exit executive session. [15:04]

Agenda Item 9: Adjourn Board Meeting. Chair Munk continued the meeting at 15:04 p.m. until **November 18, 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 will 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:

- November 18, 2020—virtual
- December 16, 2020—virtual

Upcoming Meetings of Associated Organizations:

All meetings are online

Tentative upcoming Holy Cross Energy Board Meeting Schedule for 2021:

January 20, 2021

February 17, 2021

March 17, 2021—[Note: Spring Break for Randy]

April 21, 2021—Conflicts with NRECA Legislative Conference-4/18-21

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