

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

JULY 21, 2021

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 21, 2021, at 9:01 a.m. The meeting was held in person and in webcast format with some Board members and all staff appearing in person at Holy Cross’s main office. Notice of the meeting was given in accordance with Colorado law and the bylaws of Holy Cross.

Agenda Item 1: Roll Call. Chair David C. Munk reported that all the seven Directors were present in person and online being Robert H. Gardner [in person], Kristen N. Bertuglia, David C. Munk [in person], Adam Quinton, David S. Campbell, Alexander DeGolia [in person], and Keith E. Klesner. Staff attending in person included Bryan J. Hannegan, President and Chief Executive Officer; Sam Whelan, Power Supply Manager; David Bleakley, Vice President – Engineering [absent]; Bob Farmer, Vice President - Information Technology; Cody O’Neil, Vice President—Glenwood District Operations; Rick Arnhold, Vice President – Eagle / Vail District Operations [online]; Andrew Schiller, Vice President – Finance; John Rowley, Vice President - Human Resources; Jenna Weatherred, Vice President—Member and Community Relations; and Bo Jones, Engineering Manager. Also present was employee Thomas Barton [online]. General Legal Counsel Randolph W. Starr attended online.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Munk adjourned the meeting of the Board of Directors originally convened on June 16, 2021, and then continued to today’s meeting. [09:02]

Agenda Item 3: Public Comment. Chair Munk asked for comments of members of the public present. As no members were present there were no comments. [09:02]

Agenda Item 4: Employee Recognition. Thomas Barton, Serviceman in our Glenwood Springs Operations Center, is celebrating 15 years of service. David Bleakley, Vice President of Engineering in our Glenwood Springs Headquarters, is celebrating 15 years of service. [09:12]

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 June 16, 2021, Regular Meeting
- b. Treasurer’s Report
- c. Safety Committee Minutes
- d. Power Supply Report
- e. System Reliability Report
- f. Legislative and Regulatory Report
- g. Attorney’s Report
- h. Staff Reports

- i. Board Committee Reports
 - i. Communications
 - ii. Finance
 - iii. Governance
 - iv. Strategic Issues
- j. Directors' Reports
 - i. Western United Electric Supply Corporation
 - ii. Colorado Rural Electric Association
 - iii. National Rural Electric Cooperative 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, except for staff reports that will be covered later in the meeting. [09:26]

Agenda Item 6: Old Business.

- a. Quarterly Safety and Loss Report. Vice President Rowley made a verbal and visual presentation on the First Quarter Risk Management plan. Highlights:

In 2021 Q2:

- Our Total Recordable Cases Incident Rate (TRCIR) was 3.9 reflecting a total of three recordable incidents in the first and second quarters of 2021.
- The Days Away, Restricted, or Transferred (DART) rate was 0 for the first and second quarters of 2021.
- There were no General Liability/Property Damage claims for Q2.

Included was the 2021 Safety Improvement Plan which includes an update on our three-year plan, annual plan, and current initiatives.

Questions posed by Board members were answered by Mr. Rowley. [09:37]

- 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 21, 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. [09:39]

- c. 2020 Financial Audit Report. The audit of Holy Cross's financial records for the fiscal year ended April 30, 2021, was presented to the Finance Committee that met with the auditor. Mr. Schiller reported on the committee meeting. The audit was delivered 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 audit of the financial statements of Holy Cross for the fiscal year ended April 30, 2021, be accepted, and publish the statement on the HCE website. [09:43]

- d. IRS Form 990 Approval. Vice President Schiller made a verbal and visual presentation about the 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 2020 IRS Form 990 and publish the filed Form on the HCE website. [09:48]

- e. 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. [09:53]

Agenda Item 7: June 24 Near Miss Report. Vice President Arnhold informed the Board of Directors of the details surrounding a near miss that occurred on June 24, 2021, while a crew was responding to a pole top fire. A pole top fire occurred near Interstate 70 on the evening of June 24th. The crew on scene requested that the appropriate circuit be opened to deenergize the overhead power line before attempting to extinguish the fire. After being notified that the line was deenergized by the dispatcher, the lineman attempted to put out the fire. It was at that time the lineman realized the conductor was still energized. No injuries occurred. [10:34] A break was taken. [10:34-10:48]

Agenda Item 8: New Business.

- a. Pay Equity Analysis. Vice President Rowley advised the Board on the results and recommendations from the Pay Equity Analysis that Holy Cross Energy engaged the Employer's Council to administer this year. On January 1, 2021, the Equal Pay for Equal Work Act became effective. This law prohibits gender-based pay discrimination and imposes strict requirements for job postings and equal pay transparency. A highly recommended employer action is to conduct a thorough and comprehensive pay audit. Conducting this analysis allows employers to identify and begin remedying any unexplained pay differences. The audit may also be used as evidence of "good faith" to minimize damages in any potential litigation under the act.

Like our Affirmative Action Planning process, the information required is compiled by our HR Department and then the project is completed by an attorney with the Employers Council. The project analyzes HCE's pay equity by sorting employees by job title or into comparison groups of positions engaged in substantially similar work. Using a t-Test analysis, they determine if there is a statistically significance of 2.0 or more standard deviations in pay differences for race or gender. They then review each finding to identify any legally defensible factors that could justify a pay disparity. These factors are criteria such as seniority, education, working conditions and location. If these factors do not fully account for the pay disparity, the Employers Council will provide recommendations for addressing the disparity which are referenced in the summary letter and corresponding reports. In addition, they provide guidance for establishing and maintaining pay equity. Important sections of this letter to note include:

- Pay Equity Analysis Overview
- Consideration of Legally Defensible Factors
- Statistical Analysis-This section includes any groups that may indicate a statistically significant pay disparity if the standard deviation of the pay differential for gender or race was found to be over 2.0. There were no statistically significant disparities found by job title. There was one comparison group noted that had a statistically significant disparity based on gender. Actual compensation figures were removed from the letter. These compensation figures and pay adjustment recommendations are noted on accompanying reports.
- Pay Equity Best Practices
- New Pay Equity Legislation Requirements

Questions posed by Board members were answered by Mr. Rowley. [11:00]

- b. Mid-Year Work Plan Review. President and CEO Hannegan made a visual and verbal presentation to the Board regarding progress on the various tasks and deliverables contained in the 2021 Work Plans. At its December 2020 meeting, the Board approved sixteen proposed 2021 Work Plans developed by the HCE staff to guide major activities intended to be conducted in 2021. These work plan initiatives are organized in alignment with the goals and objectives of the Strategic Plan, and regular monthly progress reports have been provided in each month's Board packet as part of the Consent Calendar. Mr. Hannegan featured more detailed verbal updates from each of the Executive Sponsors (generally VPs) and allowed for questions from Board members as to progress to date. [14:22] During the presentation a break for lunch and the Safety Week Luncheon was taken. [12:00 to 13:39] Director Quinton left the Board meeting. A break was taken. [14:26-14:34]

Agenda Item 9: 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 election 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 left in the meeting except Mr. Hannegan, Ms. Weatherred and Mr. Schiller.

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

RESOLVED, that the Board exit executive session. [15:47]

Agenda Item 9: Continuation of Board Meeting. Chair Munk recessed the meeting at 15:47 p.m. until **August 24, 2021, at 9:00 a.m.** for an executive session for strategic planning. The next meeting will be held at Colorado Mountain College in Garfield County, Glenwood Springs, CO.

Secretary – Robert H. Gardner

APPROVED:

Chair – David C. Munk

The Holy Cross Energy Board Meeting schedule for 2021:

August 24, 2021 (strategic planning executive session) [in person at CMC]

September 15, 2021

October 20, 2021

November 17, 2021

December 15, 2021