

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

SEPTEMBER 15, 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 9:04 a.m. The meeting was held in WebEx webcast format with Board members and staff appearing by WebEx 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 online being Robert H. Gardner, Kristen N. Bertuglia, David C. Munk, Adam Quinton, David S. Campbell, Alexander DeGolia, and Keith E. Klesner. Staff attending included Bryan J. Hannegan, President and Chief Executive Officer; Sam Whelan, Power Supply Manager; 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; Jenna Weatherred, Vice President—Member and Community Relations; and Brian DeCrow, Safety Coordinator. Also present were employees Rodney Sherman, Calvin Amichaux, Eileen Wysocki, Kristina Johnson, and Jeffrey Vroom. General Legal Counsel Randolph W. Starr also attended.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Munk adjourned the meeting of the Board of Directors originally convened on August 24, 2021, and then continued to today’s meeting. [09:04]

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. [09:04]

Agenda Item 4: Employee Recognition.

Rick Arnhold, Vice President of the Eagle/Vail district, is celebrating 25 years of service. Sam Whelan, Manager of Power Supply, is celebrating five years of service. Rodney Sherman, Crew Foremen, is celebrating 40 years of service. Calvin Amichaux, Warehouseman, is celebrating 35 years of service. Jeffrey Vroom, Engineer III, is celebrating 35 years of service. Eileen Wysocki, DER Programs Administrator, is celebrating 25 years of service. [09:21]

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 24, 2021, Regular Meeting
- b. Treasurer’s Report
- c. Safety Committee Minutes
- d. Power Supply Report
- e. System Reliability Report

- f. Legislative and Regulatory Report—moved to New Business for discussion
- 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
 - iv. National Rural Utilities Cooperative Finance Corporation

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 the Legislative and Regulatory Report. [10:13]

Agenda Item 6: COVID-19 Update. President and CEO Hannegan gave an update about the effects of the government orders regarding COVID-19 and the effect on Holy Cross’s operations. Questions from Board members were answered by Mr. Hannegan and staff members. [10:37] A break was taken. [10:37 to 10:51]

Agenda Item 7: Old Business. None. [10:51]

Agenda Item 8: New Business.

- a. Key Ratio Trends Analysis. Vice President Schiller provided a brief review of key financial performance indicators for Holy Cross in comparison to other cooperative utilities, using Form 7 data collected by the National Rural Utilities Cooperative Finance Corporation (CFC). Questions posed by Board members were answered by Mr. Schiller. [11:07]
- b. Health and Welfare Trust. Vice President Rowley provided an overview of the year-to-date 2021 performance of the HCE Health and Welfare Plan and made recommendations for plan changes and premiums for the 2022 calendar year. After seeing a significant increase in claims and costs in 2016 and 2017, the Health and Welfare plan has performed under budget for four consecutive years. Staff recommends that we continue as a self-funded plan, keeping BAS as our third-party administrator, and HUB as our broker. Staff proposes implementing two cost management pharmacy programs which is projected to save the plan approximately \$15,000. Staff recommends reducing the HCE health plan funding and employee contributions by 5% which equates to a \$226,000 decrease in budgeted funding. Staff recommends evaluating an option to implement one or two “premium holidays” in 2022 (based on YTD plan performance at the end of 2021 and 2022 Q2) which would reduce the reserve fund and equate to an additional \$358,000- \$716,000 decrease in funding. Staff recommends keeping Life, STD, LTD, AD&D, and Vision Insurance through our current providers. After questions by Board members and responses by Mr. Rowley, upon motion duly made, seconded, put to a vote and unanimously carried, it was **RESOLVED**, that the Health and Welfare Trust proposal as presented by staff be approved, with a total budgeted 2022 plan expense of \$4,554,096. [11:24]

- c. RESAP Safety Review: Brian DeCrow with input by Vice President Rowley provided the Board with an overview of Holy Cross’ tri-annual Rural Electric Safety Achievement Program “RESAP” audit which was conducted by CREA on July 6-7, 2021. Questions posed by Board members were answered by Mr. DeCrow and Mr. Rowley. [11:49]
- d. Legislative and Regulatory Report: Director Quinton asked for this item to be dealt with separate from the Consent Agenda. President and CEO Hannegan covered the CEPP materials that were sent to the Board prior to the meeting. Director Quinton proposed the following resolution:

RESOLVED, that the Holy Cross Energy Board of Directors supports the adoption of the Clean Energy Payment Plan (CEPP) as part of the Build Back Better Act currently under consideration by the U.S. Congress; and

FURTHER RESOLVED, that the President and CEO actively communicate this support to CREA and NRECA leadership, our Members of Congress, and the Biden Administration. Comments were made by President and CEO Hannegan, other Directors and Director Quinton.

A motion was made to adopt the resolution, and the motion was seconded. Further discussion ensued about the process. The resolution was put to a vote and carried by a majority vote.

Upon motion duly made, seconded, put to a vote and unanimously carried, it was **RESOLVED**, that the Legislative and Regulatory Report on the Consent Calendar be approved as presented. [12:25] A break was taken. [12:25 to 13:04]

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 contract negotiation and personnel 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 and Mr. Whelan joined the meeting. Later in the meeting Mr. Whelan left the meeting. Director DeGolia left the meeting at 15:00.

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

RESOLVED, that the Board exit executive session. [15:14]

Agenda Item 10: Continuation of Board Meeting. Chair Munk recessed the meeting at 15:15 p.m. until **October 20, 2021, at 9:00 a.m.** for a regular meeting by WebEx.

Secretary – Robert H. Gardner

APPROVED:

Chair – David C. Munk

The Holy Cross Energy Board Meeting schedule for 2021:

October 20, 2021—WebEx

November 17, 2021—WebEx

December 15, 2021—in person