

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

MAY 24, 2023

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 May 24, 2023, at 9:01 a.m. The meeting was held in person and on WebEx with Board members and staff appearing in person. Notice of the meeting was given in accordance with Colorado law and the by-laws of Holy Cross.

Agenda Item 1: Roll Call. Chair David C. Munk called the meeting to order and reported that all seven Directors were present, Robert H. Gardner, Kristen N. Bertuglia, David C. Munk, Adam Quinton, Keith E. Klesner, David S. Campbell, and Alexander DeGolia. Staff attending included Bryan J. Hannegan, President and Chief Executive Officer; David Bleakley, Vice President – Engineering; Cody O’Neil, Vice President—Operations; Sam Whelan, Vice President—Finance; Jenna Weatherred, Vice President—Member and Community Relations; and Trina Zagar-Brown, Vice President—Business Services. Also attending was General Legal Counsel Randolph W. Starr, Jonathan Perez, Ladd Epp, and Betsy Seymour. Linn Brooks was also on the web meeting.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Munk adjourned the meeting of the Board of Directors originally convened on April 20, 2023, and then continued to today’s meeting. [09:01]

Agenda Item 3: Public Comment. Chair Munk asked for comments of members of the public present. Linn Brooks had no comments, and no other members of the public were present in person or on the call. [09:02] Chair Munk discussed the process and proceeding this afternoon. [09:15]

Agenda Item 4: Employee Recognition.

May Service Recognition:

Paul Belden, Crew Foreman in Gypsum is celebrating 20 years of service. Aaron Anderson, Journey Lineworker in Aspen is celebrating 15 years of service. Dillon Felkey, Tree Trimmer II in Glenwood Springs is celebrating 5 years of service.

Recent New Hires, Promotions and Departures:

Melissa Jodis joined us on April 10, as the Business & Rate Analyst in Glenwood Springs. James Booth has been promoted to System Inspector. James has worked for Holy Cross for over a year, previously as a Meter Reading Technician. His promotion became effective April 1, 2023. Leah Feeley has been promoted to Accountant II. Leah has worked for Holy Cross for eight years, previously as an Accountant I. Her promotion became effective April 1, 2023. Joanna Whiting has been promoted to Member Services Rep II. Joanna has worked for Holy Cross for four years, previously as a Member Services Rep I. Her promotion became effective May 1, 2023. Sheila Tafoya has been promoted to Member Services Rep II. Sheila has worked for Holy Cross for seventeen years, previously as a Member Services Rep I. Her promotion became effective May 1, 2023. Todd Foral has been promoted to Engineer I. Todd has worked for Holy

Cross for sixteen years, previously as an Engineering Tech III. His promotion became effective May 1, 2023. Parker Peterson has been promoted to Journey Lineworker. Parker has worked for Holy Cross for four years, previously as an Apprentice Lineworker IV. His promotion became effective May 1, 2023. Lori Welch, IT Tech Analyst II, departed from Holy Cross on April 12, 2023. We wish her all the best. [09:22]

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 April 20, 2023, Regular Meeting
- b. Treasurer's Report
- c. Safety Committee Minutes
- d. Diversity, Equity, and Inclusion Committee Minutes
- e. Power Supply Report
- f. System Reliability Report
- g. Community Energy Systems Report
- h. Member Participation Report
- i. Legislative and Regulatory Report
- j. Attorney's Report
- k. Board Committee Reports
 - i. Communications
 - ii. Finance
 - iii. Governance
 - iv. Strategic Issues
- k. 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
 - v. Federated Rural Electric Insurance Exchange

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. [09:48]

Two members had joined the meeting, and they were offered the opportunity to make comments. Ann Adair-Smith and Brendan McCarthy had no comments. [09:50]

Agenda Item 6: Staff Reports. The Staff Reports were delivered to the Board members prior to the meeting. Questions from Board members were answered by staff members. [10:12]

Agenda Item 7: Old Business. None. [10:12]

Agenda Item 8: New Business.

- a. Proof of Service of Notice. Vice President Weatherred gave a verbal and written presentation to the Board about preparations for the upcoming annual member. Each year, the Proof of Service of Notice is signed by the Secretary of the Board of Directors. This document certifies that proper notice was given to the Membership on several important items including the following:
 - The date and location of the Annual Meeting of Members
 - The right to nominate Board Candidates by petition

- That nominating petitions were received and that they were available for examination

The Notice of Right to Nominate by petition was published in eight area newspapers between January 10- 15, 2023. These papers included the Glenwood Springs Post Independent, Snowmass Sun, The Aspen Times, Vail Daily, Eagle Valley Enterprise, Grand Junction Daily Sentinel, and Rifle Citizen Telegram.

Six nominating petitions from the Northern District and three nominating petitions from the Western District were received by this Association by April 14, 2023. One Northern District candidate withdrew their candidacy after the materials had been printed so a flyer was included with the printed Election Packet asking members to disregard her information. Staff instructed SBS to reprint the physical ballot without her name and to pull her information from all electronic and digital materials.

These eight petitions were available for examination at the principal office of the Association and by electronic means at least forty-five days before the Annual Meeting of Members. No one has asked to view the petitions thus far this year.

The 2023 Election Packet was emailed on May 16, 2023, and mailed (delivered to the Post Office) on May 16, 2023, to all active Members of Holy Cross. This packet contains an invitation to attend this year's Annual Meeting along with the date and time of the meeting. It also contains a photograph and 250-word campaign statement from each candidate. The election packet gives detailed instructions on how to mark the ballot, how to mail and sign the return envelope, and when the ballots are due.

Notice of the election has also been provided through the following media and communications channels:

Print

- Sol de Valle
 - o Thursdays, starting May 4 – June 15 (7 insertions)
 - o Half page in Spanish
 - o Circulation: Downvalley 25%, Midvalley – 25% and Upvalley 50%
- Colorado Mountain News Media (CMNM)
 - o Meet the candidates: May 25 (1 insertion x 3 papers, Aspen Times, Vail Daily, Glenwood Post-Independent)
 - o Annual meeting/election – May 4 – June 15 (11 insertions)
 - Thursdays, starting May 4 – June 15 (7 insertions) in Aspen Times, Vail Daily, Glenwood Post-Independent
 - Thursday, June 1, 8 – Rifle Citizen Telegram (2)
 - Thursday, June 1, 8 – Snowmass Sun (2)
 - Thursday, June 1, 8 – Eagle Valley Enterprise (2)
- Sopris Sun
 - o Annual meeting/election – May 14 – June 15 (7 insertions) – English/Spanish

Broadcast

- AMT Radio
 - o May 1 – June 15
 - o 5 stations including Spanish
 - o Covering Aspen/GWS/Avon – La Nueva, The Lift, KSPN, KSKE, KNFO
- KNS Broadcasting
 - o May 1 – June 15 – Run with Watts Up with Holy Cross Energy campaign.
 - o 3 stations
 - o Covering GWS – East Vail – Leadville, The Zephyr, The Outlaw, The Mile
- KDNK Community Radio (Carbondale) o Submitted to their online community calendar

- KSUN Community Radio (Colorado River Valley)
 - May – June 15
 - Station serving Parachute, Battlement Mesa, Debeque, Silt, Rifle, New Castle
 - Sponsoring Town Hall News - morning drive, lunch, and evening drive – weekly
- KAJX, Aspen Public Radio (TBD) ◦ Sponsorship of program

Service Organization newsletters

- Glenwood Chamber May Newsletter (English/Spanish)
- Glenwood Chamber eNews: June 1, 8 and standalone 8.5x11 flyer, Monday June 12 (English/Spanish)
- Basalt Chamber – Weekly newsletter in May (Thursdays)
- Vail Valley Partnership – June newsletter English, May newsletter Spanish
- Eagle Chamber – May newsletter Paid social media
- Video paid social, FB: May – June 15 (Annual Meeting only, election not allowed)

Holy Cross owned assets

- Stakeholder email – week of April 24
- Holy Cross Member Newsletter – May 4
- Special Edition Newsletter – May 18
- Election ballot mailing – mailed May 16
- Election ballot email- emailed May 16
- Election email reminders to vote – May 24, May 31 and June 8
- Email, online and mailed ballot closes - June 13
- In-person voting closes at Annual Meeting until 6:00 p.m. on June 15

After the presentation and after discussion among the Board members, upon motion duly made, seconded, put to a vote and unanimously carried, it was:

RESOLVED, that Secretary DeGolia be directed to sign this year’s Proof of Service of Notice certification. [10:24]

- b. Cyber / Physical Security Plan Review. Vice President Zagar-Brown and Ladd Epp provided an update to the Board of Directors on current and planned activities that support Holy Cross’s organizational cyber and physical security. In recent years Holy Cross formally reaffirmed its cyber and physical security efforts with a Holy Cross Board Work plan to outline its strategies, investments and diligence related to cyber and physical security. Holy Cross’s goal remains to diligently prepare to identify, detect, defend, and respond to cyber and facility incidents, and if necessary, efficiently restore systems in the event of a cyber incident. Holy Cross is committed to an organizational safety culture that includes operations, facilities, cyber and its people. Holy Cross has an advanced system network that supports the entire organization. Holy Cross’s large service territory includes four campus locations (Glenwood, Avon, Cooley Mesa, and Aspen), five substations and extensive distribution facilities. The 2023 Cyber & Physical Work Plan strategically supports Holy Cross’s critical investments in its facilities and system networks including an emphasis on advanced technologies. The 2023 Work Plan focuses on the following actions:
 - **Corporate & SCADA Network Monitoring System:** DarkTrace installed and operational February/March 2023.
 - **Holy Cross Incident Response:** Incident Response Plan Approved March 2023.
 - **NIST CSF:** Holy Cross utilizing NIST Cybersecurity Framework as working standard and process.
 - **Holy Cross Cybersecurity Tracking & Ticketing Software System:** Request Tracker (“RT”) Incident Response Tracks Cybersecurity events that assist in analysis of trends and vulnerabilities.

- **Culture of Cyber Safety:** Training with user engagement, industry standards, cyber assessments, and regional Incident Response Team.

- **Physical Security:** Coordinated and strategic camera locations.

Over the next several months, the Cyber and Physical Security team will focus its efforts on utilizing the full capabilities of DarkTrace, substation camera implementation, and user training engagement while maintaining its routine cyber and physical security duties. [11:01] A break was taken. [11:01 to 11:12]

- c. GHG Emissions Annual Report. Vice President Whelan provided the results of Holy Cross's 2022 greenhouse gas (GHG) emissions annual inventory. At its February 2020 Board Meeting, the Board reviewed the results from the emissions inventory conducted by Lotus Sustainability of Holy Cross's GHG emissions for the years 2005, 2014, and 2018. For 2005 and 2014, only power supply-related emissions reports were reviewed; however, for 2018 an entire inventory across all Holy Cross's activities was created for the first time. Holy Cross chose to undertake this audit and inventory to better document progress in future years towards Holy Cross's Seventy70Thirty plan's greenhouse gas emissions reduction goals. At the last two May Board Meetings, staff presented the completed inventory for the prior years. Since then, Holy Cross has implemented its strategic plan objective to attain net zero emission across Holy Cross by 2035. This annual report will continue to provide updates on our progress toward that goal. It will also serve as a tool with which to evaluate where emissions opportunities exist. Below is an updated table with 2022 emissions related specifically to Power Supply.

Power Supply (MT CO2E)	2005	2014	2018	2019	2020	2021	2022
Comanche 3		329,363	430,023	372,334	14,675	339,259	257,933
T&D Losses, Company use	44,213	28,031	11,714	9,031	16,279	7,441	10,104
Contracted Power Supply	900,207	592,979	317,987	216,131	429,559	228,652	265,997
Total	944,420	950,373	759,724	597,496	460,513	575,351	534,034

This reflects a **-7% change** from 2021 power supply GHG emissions. This is due to a 3-month outage of Comanche 3 during early 2022. Though we had a slightly higher percentage of renewable energy content in 2022 than the year prior, there was a slight uptick in emissions associated with contracted power supply use due to increased sales from Guzman to Holy Cross. For 2022, operational GHG emissions were up from 2021, as follows:

Non-Power (MT CO2E)	2018	2019	2020	2021	2022
Fleet	874	902	768	868	883
Personal Use	891	798	603	733	606
Natural Gas	421	454	420	363	402
Commute	237	238	90	99	258
Waste	34	34	28	28	28
Travel	31	41	14	8	18
Total	2,488	2,467	1,923	2,100	2,195

This slight increase in non-power supply emissions is directly attributable to Holy Cross's continued shift to a hybrid work schedule. We expect this to level out now that our post-pandemic work schedules have been established. [11:21]

d. 2024 NRECA Member Resolutions.

Board members discussed the 2023 NRECA Member Resolutions and offer proposals for amendments to the NRECA Resolutions Committee.

NRECA's Member Resolutions are created and refined during an annual cycle that gives members an opportunity to participate at every step. Any member cooperative can pass a resolution or amend an existing resolution and submit it to NRECA for consideration during the Spring of each calendar year. An NRECA Resolutions Committee reviews proposed resolutions and compiles them for consideration at Regional Meetings in the Fall of each year. Resolutions that are approved by one or more NRECA Regions are forwarded to the Annual Meeting for consideration by the entire membership.

The Board most recently considered the NRECA Member Resolutions at its February 2023 meeting and took positions on several proposed Member Resolutions as instruction to Holy Cross's voting delegate for the NRECA Annual Meeting. None of those positions were accepted.

The approved compendium of 2023 NRECA Member Resolutions resulting from NRECA's Annual Business Meeting in March 2023 is provided separately in Call to Order for your review and reference. Board members were encouraged to bring forward any ideas they may have for support, opposition, or amendment of any of the 2023 NRECA Member Resolutions.

Our statewide association CREA has requested that any proposed new resolutions or changes to existing NRECA resolutions be communicated to them by May 22, for the CREA Board's consideration at their May 26 meeting, if we would like CREA's support. NRECA's Resolutions Committee will meet this year virtually on June 23 at 10 a.m. Eastern Time, and all proposals for new or amended resolutions will need to be submitted to NRECA by June 16.

In addition, this year's Region 7 Meeting will be held in Omaha, Nebraska on September 27-28, 2023. Chair Dave Munk will serve as Holy Cross's voting delegate. For a voting delegate to speak for or against a Resolution or to offer an Amendment at either meeting, the delegate's Board must have taken a position on the Resolution through a formal Board action of its own. To date, staff has received the following suggestions for Board consideration, most of which are restatements of previous positions taken by the Board (most recently in February 2023):

1. Support for a Reasonable Transition of the Electric Utility Industry (6.14)

Vote to AMEND through a change or elimination of this sentence: "We also support the preservation and use of all current and future power supply resources for their entire useful life to protect the electric grid and power supply resource adequacy."

Suggested amendment to this sentence: "We also support allowing systems to make individual decisions based on the affordability and reliability of their local situation as they judge necessary to protect the electric grid and power supply resource adequacy."

If not amended, then Holy Cross vote to OPPOSE.

2. Support of Renewable and Environmentally Favorable Energy (6.16)

Reaffirm OPPOSE

Note that this resolution says: "We oppose any mandates that undermine a cooperative's ability to decide which resources make sense for the cooperative and its member-owners."

3. Support of the Keystone XL Pipeline (6.12)

Reaffirm OPPOSE

4. Support for Nuclear Power (6.17)

Reaffirm ABSTAIN

5. Clean Water Act Regulatory Implementation (9.5)

Reaffirm ABSTAIN

6. Support for Superfund Reform (9.8)

Reaffirm ABSTAIN

7. Support for Public Utility Regulatory Policies Act Reform (6.19)

Reaffirm AMEND to replace “repeal” with “reform” in the body of the resolution

8. Environmental Externalities (9.3)

Reaffirm OPPOSE

9. Support for Efforts to Address Poverty in Cooperative Communities (3.2)

Reaffirm SUPPORT

10. Support of Demand Response Programs (3.11)

Reaffirm SUPPORT

In addition, staff is aware of a general Board interest in adding the words “demand response” to any Resolution which addresses power supply issues.

After discussion among the members of the Board, upon motion duly made, seconded, put to a vote and unanimously carried, it was:

RESOLVED, that the Board takes positions on the proposed NRECA 2023 Member Resolutions as outlined in the staff memo; and

FURTHER RESOLVED, that the Board directs staff and Holy Cross delegates to communicate such positions to the CREA Board and to the NRECA Resolutions Committee for consideration in this year’s NRECA Member Resolutions process. [11:25]

e. Letter received from the Colorado Energy Office. President and CEO Hannegan presented the letter received from the Director of the Colorado Energy Office asking the HCE Board to pause its current plans to make changes in HCE’s electric rates and tariffs. Discussion ensued among the Board members about the requests in the letter. A motion was duly made as follows: **RESOLVED**, that the letter from the letter from the Colorado Energy Office regarding Holy Cross’s Tariffs, Rules, and Regulations, be taken under advisement. The motion failed for lack of a second. President and CEO Hannegan suggested the Board consider deferring implementation of the new electric tariffs until at least January 1, 2024. A motion was duly made and seconded as follows: **RESOLVED**, that the proposed changes to the Tariffs, Rules, and Regulations of Holy Cross approved by the Board at its regular meeting on January 18, 2023, be suspended until, at a minimum, January 1, 2024, to allow for the Colorado Energy Office to hold a statewide dialogue on the future of net metering in Colorado. Discussion ensued among the Board members about the resolution. The motion was put to a vote, and the resolution passed unanimously. Discussion ensued among the Board members about the requests in the letter. President and CEO Hannegan suggested deferring the effective date of the new electric tariffs to review the rate structure for not longer than January 1, 2024. A motion was duly made as follows: **RESOLVED** that the letter from the letter from the Colorado Energy Office regarding Holy Cross’s Tariffs, Rules, and Regulations, be taken under advisement. The motion failed for lack of a second. A motion was duly made and seconded as follows: **RESOLVED**, that the proposed changes to the Tariffs, Rules, and Regulations of Holy Cross approved by the Board at its regular meeting on January 18, 2023, be suspended until, at a minimum, January 1, 2024, to allow Holy Cross to engage with the Colorado Energy Office in a statewide dialogue on the future of net metering in Colorado. Discussion ensued among the Board members about the resolution. The motion was put to a vote, and the resolution passed unanimously. Discussion ensued about telling the public and CEO about the resolution passed by the Board for the afternoon session. [12:16]

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Agenda Item 9: Executive Session. None.

Agenda Item 10: Items for Future Agendas. Discussion about the items on the list ensued.
[12:20]

Agenda Item 11: Adjourn Board Meeting. Chair Munk continued the meeting at 12:20 until the 13:00 public meeting and then to **June 21, 2023, at 9:00 a.m.** The next meeting will be held in person at Holy Cross' main office at 3799 Highway 82 in Garfield County, Glenwood Springs, CO.

Secretary – Alexander DeGolia

APPROVED:

Chair – David C. Munk

2023 Holy Cross REA Board Meeting Schedule [Third Wednesday of each month]
The Annual Meeting of Members will be held on June 15, 2023, at The Arts Campus at Willits [TACAW], 400 Robinson Street, Basalt, CO 81621
June 21, 2023—in person—Glenwood
July 19, 2023—WebEx
August 23, 2023 (strategic planning)—in person
September 20, 2023—WebEx
October 18, 2023—WebEx
November 15, 2023—WebEx
December 20, 2023—in person—Glenwood