

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

**JULY 17, 2024**

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 17, 2024, at 9:01 a.m. The meeting was held virtually via Webex with Board members and Staff appearing electronically. 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 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, Alexander DeGolia, and Linn Brooks. 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, Lindsey Williams, Kristina Johnson, Nicole Moore, Ben Luck, Maisa Metcalf, and Priscilla Texter. No others were on the web meeting.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Munk adjourned the meeting of the Board of Directors originally convened on June 26, 2024, and then continued to today’s meeting. [09:14]

Agenda Item 3: Public Comment. Chair Munk asked for comments from members of the public present. No members of the public were present in person or on the web. [09:01]

Agenda Item 4: Employee Recognition.  
June Service Recognition:

Andy Keller, System Operator I celebrated 10 years of service.

Vince Stoltzfus, Journey Lineworker celebrated 5 years of service.

Recent New Hires, Promotions and Departures:

Journey Lineworker Hunter McCormick’s last day at Holy Cross Energy was July 10, 2024.

Priscilla Texter joined us on July 15, 2024, as Member Support Manager in Glenwood Springs.

Member High Fives

A Member called in to give praise to our crews. “Thank you to the crew for restoring my power yesterday during the outage. The crew did an amazing job, and I am thankful for them.”

We received a nice thank you card from a member thanking us for our COVID financial assistance and commending the work of our tree crews. [09:05]

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 26, 2024, 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
- l. Directors' Reports

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 with the proposed change to the Minutes on Cyber Physical Work Plan during the meeting. [09:47]

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. Matt Hasvold, a member of the public, joined the meeting. [10:09]

Agenda Item 7: Old Business.

None. [10:09]

Agenda Item 8: New Business.

- a. Bank Account Authorizations. Vice President Whelan 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 Board Memorandum entitled "Bank Account Signatory Authorization" dated July 17, 2024, 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. [10:12]
- b. 2023 Financial Audit Report. The audit of Holy Cross's financial records for the fiscal year ended April 30, 2024, was presented to the Finance Committee that met with the auditor. As outlined in Article V, Section 5.8 of the Holy Cross Electric Association Bylaws, the Board of Directors shall have an audit committee that is directly responsible for overseeing the work of any registered public account firm employed by the Cooperative. Further outlined in Section 2.4.10 of Holy Cross Corporate Policy 4.1, "Functions of the Board of Directors", one of the functions the Board of Directors is "reviewing the annual financial audit and management letter with the auditor present and directing such remedial action as may be necessary." The work of Holy Cross's independent auditor has been completed and a final report was presented by the auditor via conference call to the Holy Cross Finance Committee (acting as the Board Audit Committee) at its meeting on July 8, 2024. The auditor's report and supporting materials were provided to the Board. Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:  
**RESOLVED** that the independent audit of the financial statements of Holy Cross for the fiscal year ended April 30, 2024, be accepted, and Staff will publish the statement on the Holy Cross website. [10:18]

- c. IRS Form 990 Approval. Vice President Whelan made a verbal and visual presentation about the IRS Form 990. To maintain nonprofit status with the IRS, Holy Cross is required to file an informational return called the Form 990. The draft Form 990 for 2023 has been completed by Holy Cross's audit firm Kelso Lynch, P.C., P.A. The Board was given a copy of the draft. This Form 990 is public information and can be requested from the IRS. To facilitate access for members and the public, Holy Cross will continue to post this information on its website. Mr. Whelan 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 Holy Cross Staff be directed to file the 2023 IRS Form 990 and Staff will publish the filed Form on the Holy Cross website. [10:22]
- d. Key Ratio Trends Analysis. Key Ratio Trends Analysis. Vice President Whelan 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 Cooperative Finance Corporation (CFC). The Key Ratio Trend Analysis (KRTA) is a tool provided by CFC to help Staff and the Board comprehend a complete picture of our system's performance. The KRTA provides 145 ratios and includes information on other state cooperatives and national data from all cooperatives that are CFC borrowers. The 2023 KRTA includes data from 812 cooperatives in the US, 22 in the state of Colorado and 5 within our Power Supplier category (wholesale customers of Xcel Energy/PSCo and Guzman). Mr. Whelan selected some key ratios relevant to Holy Cross to help illustrate how Holy Cross is performing, relative to peers on a state and national average. The full document with 145 ratios was included in the Call to Order. For the ratios provided in the memo, Staff has adjusted where necessary the impact of the kWh and revenue sold to Guzman. Staff did not adjust the 145 ratios provided in the Call to Order. Questions posed by Board members were answered by Mr. Whelan with input from Mr. Hannegan. [10:56] Mr. Hasvold left the meeting, and employee Nicole Moore joined the meeting. A break was taken. [10:56-11:17]
- e. AABC Microgrid Status Report. Vice President Bleakley, with input from Ben Luck, provided a brief review and update on the status of the Aspen Airport and Business Center (AABC) microgrid project. The July 2018 Lake Christine Fire near Basalt exposed significant vulnerabilities in public infrastructure supporting the upper Roaring Fork Valley in the event of a power failure or evacuation or both. According to Staff, had the fire compromised the Holy Cross-owned transmission line providing service from the Basalt substation, then several other critical infrastructures and services would have also been compromised including telecommunications, fuel supply and public safety functions. In 2019, Pitkin County sought and received from the Colorado Department of Local Affairs (DOLA) a \$200,000 planning grant to investigate the possibility of developing a renewable microgrid (the "AABC microgrid") to enhance energy resilience for core services such as transit, water and wastewater treatment, and airport operations. A second award of \$1.7 million from the State in 2022 provided the base funding to start construction of the first phase of the microgrid, which would include Holy Cross's Aspen substation and the 5 MW Pitkin Solar facility as a primary microgrid power source. The AABC microgrid project has been steadily moving forward with an anticipated in-service date of late 2025. Questions posed by Board members were answered by Mr. Bleakley and Mr. Luck with input from Mr. Hannegan. [12:02]
- f. Vehicle Grid Integration Council Membership. Staff sought Board approval for Holy Cross to join the Vehicle Grid Integration Council (VGIC) in a nonvoting associate membership class. Vice President Whelan presented a written and verbal explanation of the proposal. Article XI, Section 1 of the Holy Cross Electric Association Bylaws provides that: "The

Association may, upon the authorization of the Board, purchase stock in, or an ownership interest in, or become a member of any corporation or organization. Such purchase or membership shall be related to its electric utility business, or other business in which the Association is engaged, or may be transacted for the purpose of enabling the Association to engage in a new business or enterprise.” Staff requests joining VGIC as a nonvoting associate member: <https://www.vgicouncil.org/>. VGIC is a California-based national 501(c)(6) member advocacy group committed to advancing the role of electric vehicles and smart EV charging through policy development, education, outreach, and research. VGIC provides resources including, but not limited to the best practices, case studies, and technical standards to help inform their members in supporting the transition to a decarbonized transportation and electric sector. VGIC has a Utility Collaboration Forum that offers Holy Cross the ability to collaborate with a diverse network to address the challenges and opportunities of managed charging, bidirectional charging, and distributed energy resource-paired charging. The current cost of associate membership is \$4,000 annually. The 2024 cost will be prorated accordingly. A cost of \$2,500 was included in the 2024 Program Budget specifically for this future membership.

It was the consensus of the Board that Article X, Section 1 should not apply to membership agreements unless such memberships create a financial interest or equity investment by Holy Cross in the membership organization.

After questions posed by Board members were addressed, a motion was made, seconded and unanimously adopted to approve the following resolution:

**RESOLVED**, that the President and Chief Executive Officer or the President and Chief Executive Officer’s designee be authorized to sign the Vehicle Grid Integration Council Associate Membership Agreement, subject to acceptance by the other Parties to the Agreement of any amendments to be proposed by Holy Cross General Legal Counsel. [12:09] A break was taken. [12:09-12:47]

Agenda Item 9: Energy Assistance Work Plan Review. Vice President Weatherred gave a verbal and visual presentation about the 2024 Energy Assistance Work Plan and Holy Cross’s efforts to help reduce the energy burden faced by low- and moderate-income (“LMI”) members. Holy Cross Strategic Goal 5.3 instructs Staff to identify opportunities to reduce the energy burden faced by Holy Cross’s LMI members and communities. According to Staff, LMI households spend a disproportionately larger portion of their income on home energy costs (e.g. electricity, natural gas, and other home heating fuels) than other households. According to Staff, this “energy burden” can force tough choices between paying energy bills and buying food, medicine, or paying for education, retirement, or other important needs. According to Staff, well-designed and inclusive programs that focus on LMI members and communities can help reduce this energy burden and assist Holy Cross members with the high cost of living in the areas Holy Cross serves. According to Staff, helping financially challenged members and local nonprofit organizations in the Holy Cross service territory is not only the right thing to do, but strengthens local families and communities, which benefits the Holy Cross membership overall. At the Board of Directors’ Strategic Planning Session on August 23, 2023, the Board generated a list of potential action items for Holy Cross Staff to investigate, pursue or continue providing to Holy Cross members. These items were then used to create the 2024 Energy Assistance Work Plan, which the Board approved at its December 20, 2023, meeting. The materials provided to the Board included a detail of what has been done over the past six months as well as what has been more difficult to accomplish. Staff included several questions for the Board to discuss, and solicited additional guidance as Staff executes the Work Plan over the remainder of 2024. Discussion among the Board members ensued. Vice President Weatherred then

gave a verbal and visual presentation about the Round-Up Foundation. At the Board's June 26, 2024, meeting, Director Gardner expressed an interest in reviewing the work of the Round-Up Foundation at a future meeting, with a specific focus on "the role of Holy Cross in providing social services." Director Gardner noted that Holy Cross's Staff was already providing a significant amount of support to Round-Up through its support of the Round-Up Foundation Board and its review of member requests for assistance. Director Gardner also noted that the Round-Up Foundation has agreed to offer direct energy assistance payments to members who request financial payments, and that fact may increase demand for Round-Up support against limited available resources. In Director Gardner's July 12, 2024, email to the Board on this subject, Director Gardner suggested the possibility of an "opt out" automatic enrollment of Holy Cross members in Round-Up, and outlined several questions and issues for the Board to consider. Discussion among the Board members ensued. Questions were posed to Vice President Weathered and to Director Gardner. Responses were given. Mr. Hannegan encapsulated some consensus items about the Plan and Round-Up. Further input will be given during the budgeting process for next year. After the discussion, a motion was made, seconded and unanimously carried, with Director Gardner abstaining, to adopt the following resolution:

**RESOLVED**, that the 2024 Operating Budget be amended to reduce the contribution to Energy Outreach Colorado by \$60,500, and to increase the contribution to the Round-Up Foundation by the same amount.

Further discussion by Chair Munk ensued regarding consideration of the Energy Assistance Work Plan in the Board Retreat next month and in the 2025 Budget discussion. During the discussion Attorney Kevin Poloncarz joined the meeting. [14:38] A break was taken. [14:38-14:45]

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 potential litigation. All Senior Staff members remained in the Board room. Attorney Kevin Poloncarz joined the executive session for a portion of the discussion. Attorney Poloncarz left the meeting and the meeting continued.

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. Direction was given to Staff on potential litigation.

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

**RESOLVED** that the Board exit executive session. [16:23]

Agenda Item 11: Items for Future Agendas. Discussion about the items on the list ensued. Mr. Hannegan noted the Board's interest in continued discussion regarding the Round-Up Foundation, HCE's insurance policies, and the upcoming RFP for legal services. [16:30]

Agenda Item 12: Continuation of Board Meeting. Chair Munk continued the meeting until **Wednesday, August 14, 2024, at 9:00 a.m.** The next meeting will be held in person at the Colorado Mountain College Morgridge Commons in Glenwood Springs and will include a lengthy executive session for a strategic planning meeting. Comments of members of the public will be permitted at the commencement of the meeting prior to entering executive session. [16:30]



Secretary – Robert H. Gardner

APPROVED:



Chair – David C. Munk

<b>2024-25 Holy Cross Energy Board Meeting Schedule</b> [Third Wednesday of each month]
August 14, 2024 – in person – Glenwood Springs (strategic planning)
September 18, 2024 – virtual
October 23, 2024 – in person – Cooley Mesa
November 20, 2024 – virtual
December 18, 2024 – in person – Glenwood Springs
January 15, 2025 – virtual
February 19, 2025 – in person – Cooley Mesa
March 19, 2025 – virtual
April 16, 2025 – virtual
May 21, 2025 – virtual
June [TBD], 2025 – Annual Meeting of Members
June 18, 2025 – in person – Glenwood Springs
July 16, 2025 – virtual
August 20, 2025 – in person – Cooley Mesa (strategic planning)
September 17, 2025 – virtual
October 15, 2025 – virtual
November 19, 2025 – virtual
December 17, 2025 – in person – Glenwood Springs