

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

**FEBRUARY 21, 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 Cooley Mesa office at 0132 Buckhorn Valley Boulevard in Eagle County, Gypsum, CO, on February 21, 2024, at 9:02 a.m. The meeting was held in person and on WebEx with Board members and staff appearing. Notice of the meeting was given in accordance with Colorado law and the bylaws of Holy Cross.

Agenda Item 1: Roll Call. Vice Chair Kristen N. Bertuglia called the meeting to order and reported that six of the seven Directors were present, Robert H. Gardner, Kristen N. Bertuglia, David C. Munk [WebEx], Adam Quinton, Keith E. Klesner, Linn Brooks, and Alexander DeGolia was absent. Staff attending included Bryan J. Hannegan, President and Chief Executive Officer; David Bleakley, Vice President – Engineering; Cody O’Neil, Vice President—Operations; Trina Zagar-Brown, Vice President—Business Services; Sam Whelan, Vice President—Finance; and Jenna Weatherred, Vice President—Member and Community Relations. Also attending was General Legal Counsel Randolph W. Starr, Mike Tornes, Jon Caughlin, Theresa Comerer, Jonathan Rosales, and Betsey Seymour. Representatives from the Town of Eagle Tom Gosiorowski (Public Works) and Kira Koppel (Sustainability Specialist) attended. No others were on the web meeting.

Agenda Item 2: Adjourn Previous Board Meeting. Vice Chair Bertuglia adjourned the meeting of the Board of Directors originally convened on January 17, 2024, and then continued to today’s meeting. [09:02]

Agenda Item 3: Public Comment. Vice Chair Bertuglia asked for comments from members of the public present. Comments were received by Kira Koppel regarding net metering exception for a PV project at the wastewater treatment plant. Questions from board members were answered by Ms. Koppel and Mr. Gosiorowski. [09:22] Ms. Koppel and Mr. Gosiorowski left the board room.

Agenda Item 4: Employee Recognition.  
February Service Recognition:

Parker Peterson, Journey Lineworker, is celebrating 5 years of service.

Tim Hansen, Apprentice Lineworker IV, is celebrating 5 years of service.

Theresa Comerer, Contracts Administrator, is celebrating 5 years of service.

Mike Tornes is the recipient of the 2023 Larry Shaffer Award of Excellence.

Jon Caughlin is the recipient of the 2023 Ed Grange Award of Excellence.

Recent New Hires, Promotions and Departures: None. [09:35] Theresa, Mike and Jon left the board room.

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 January 17, 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
  - i. Communications
  - ii. Finance
  - iii. Governance
  - iv. Strategic Issues
- l. 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
  - vi. Touchtone Energy Cooperative

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 as amended be approved as presented. [10:00]

Rich Clubine [Active Energies] joined the meeting on WebEx. He made comments about the Town of Eagle request for exception for net metering. Mr. Hannegan responded to the comments. [10:05]

Agenda Item 6: Staff Reports. The Staff Reports had been delivered to the Board members prior to the meeting. Questions from Board members were answered by staff members. Director Alex DeGolia joined the meeting on WebEx. Mr. Clubine made additional comments. Upon motion duly made, seconded, put to a vote and unanimously carried, it was:

**RESOLVED**, that the items on the Staff Reports be approved as presented. [10:24]

Agenda Item 7: Old Business. None. [10:24]

Agenda Item 8: New Business.

a. Appointment of Elections Committee. Section 2.3 of Holy Cross Corporate Policy 4.6, Voting and Elections, provides that the Board of Directors shall take two specific actions related to the election of Directors not less than 90 days prior to any Annual Meeting where an election may occur:

1. Appoint an election management firm to establish a secure and verifiable electronic transmission system through which a member may apply for, receive, and return a ballot in an election and to receive, prepare and secure any paper return envelopes containing ballots, and at the appropriate time, tabulate ballots and report voting results to the Board; and

2. Appoint an Election Supervisory Committee consisting of three members to oversee the election and voting process (typically Holy Cross's Legal Counsel, a representative of the election management firm, and a member of Holy Cross's management staff).

Vice President Weatherred gave a verbal and written presentation to the Board. A motion was made, seconded, and unanimously carried that it was:

**RESOLVED**, that the Board of Directors authorizes Holy Cross's staff to contract with Survey and Ballot Systems to manage the 2024 Election of Holy Cross Directors; and

**FURTHER RESOLVED**, that an Election Supervisory Committee be appointed to oversee the 2024 Election of Holy Cross Directors consisting of the following members:

- Holy Cross's General Legal Counsel, Randolph W. Starr;
- A representative from Survey and Ballot Systems [Matt Fiala]; and
- A member of Holy Cross's management staff, Vice President Jenna Weatherred. [10:26]

b. 2024 NRECA Member Resolutions. Board members discussed the proposed 2024 NRECA Member Resolutions and offer guidance to the Holy Cross Energy voting delegates prior to this year's Annual Meeting. The compendium of proposed 2024 Member Resolutions was provided separately to the Board prior to the meeting. Board members were encouraged to bring forward any ideas for support, opposition, or amendment of any of the proposed 2024 NRECA Member Resolutions. After the presentation and after discussion among Board members, a motion was made, seconded, and unanimously carried that it was:

**RESOLVED**, that the Board reaffirms its previous positions taken on the proposed NRECA Resolutions as described in the Board Memorandum; and

**FURTHER RESOLVED**, that President and CEO Hannegan be designated the voting delegate for Holy Cross at the 2024 NRECA Annual Meeting. [10:33]

Mr. Clubine left the WebEx meeting.

c. Year-End Financial Review. Vice President Whelan informed the Board of the 2023 year-end financial results and sought approval for the carry forward of excess margin into future year budgets. Written materials were given to the Board prior to the meeting. After the presentation and after Mr. Whelan responded to questions from Board members, a motion was made, seconded, and unanimously carried that it was:

**RESOLVED**, that the proposed deferral of \$4,568,947 in 2023 revenue be approved.

[10:55]

d. Corporate Policy 4.7 – Delegation of Authority to the President and CEO. President and CEO Hannegan sought a change to the Corporate Policy 4.7, particularly regarding an update to the “line of succession” to the President and CEO. Corporate Policy 4.7, “Delegation of Authority to the Chief Executive Officer” defines the scope of authority to the Chief Executive Officer (“CEO”) as provided in the Bylaws and expresses the expectations of the HCE Board of Directors regarding managerial performance and working relationship. The Policy was last amended by the Board in May 2022 as part of the regular review and updating of all HCE Corporate Policies every three years as required by Corporate Policy 1.1, “Development of Corporate Policies”. Included in Corporate Policy 4.7 is an Appendix I, “Designation of Acting President and CEO”, specifying the “line of succession” should the CEO be temporary or permanently incapacitated or otherwise unable to perform their duties. Since the adoption of the current Corporate Policy, there have been changes in the makeup and responsibilities of the Vice Presidents necessitating a revision of the Appendix currently. This item was identified by the Board at its December 2023 meeting and referred

to the Governance Committee for review and updating of the Corporate Policy. A redline of proposed edits by the CEO which preserves the seniority-based succession considering the new structure and membership of the senior staff:

1. Vice President, Engineering
2. Vice President, Operations
- ~~—Vice President, Human Resources and Administration~~
- ~~—Vice President, Information Technology~~
3. 3. Vice President, Member and Community Relations
4. ~~6-4.~~ Vice President, Finance
5. ~~7-5.~~ Vice President, ~~Power Supply and Programs~~ Business Services

After the presentation and after Mr. Hannegan responded to questions from Board members, a motion was made, seconded, and unanimously carried that it was:

**RESOLVED**, that the proposed revisions to Corporate Policy 4.7 be approved as presented. [10:57]

e. 2024 Board of Directors June Meeting Date. President and CEO Hannegan made a presentation about the dates for upcoming June board meetings. After discussion, upon motion duly made, seconded, and unanimously carried, the following resolution was adopted:

**RESOLVED**, that the originally scheduled Regular June Meeting of the Holy Cross Energy Board of Directors be **rescheduled to June 19**. [11:08]

A break was taken. [11:08 to 11:26]

John Rowley and Caroline Fisher entered the Board room.

Agenda Item 9: Employee Culture Survey Results. John Rowley, Director of Human Resources, provided a report on the results of the 2023 Employee Culture Survey. The report was given to the Board prior to the meeting. Caroline Fisher provided an overview of the survey results, and she also responded to questions from Board members. No action was necessary on the report.

A break was taken. [12:14 to 12:23]

Chair Munk left the meeting.

The presentation continued by Caroline Fisher.

During the meeting Chair Munk returned to the meeting. [13:25]

Mr. Rowley and Ms. Fisher left the Board room.

Agenda Item 10: 2024 Legislative Agenda. President and CEO Hannegan provided an update on key legislative initiatives introduced in the Colorado Legislature for the 2024 session, and he sought Board input on specific issues. Jeff Weist and Laura Long of Weist Capitol Group joined the WebEx meeting. Mr. Weist and Ms. Long both gave verbal presentations on pending legislation. No action was taken. [14:05]

Agenda Item 12: Items for Future Agendas. President and CEO Hannegan presented a list of subjects that will be considered in the upcoming monthly board meetings. Discussion about the subjects and any additions ensued. [14:21]

Agenda Item 11: 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 employment matters, performance of President and CEO Hannegan, and legal counsel 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 and Attorney Starr left the Board room, including Mr. Hannegan. Later in the session Mr. Hannegan returned to the Board room.

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

**RESOLVED** that the Board exit executive session. [17:04]

Agenda Item 13: Continuation of Board Meeting. Vice Chair Bertuglia continued the meeting at 5:07 p.m. until Wednesday, March 20, 2024, at 9:00 a.m. The next meeting will be held by WebEx at Holy Cross' main office at 3799 Highway 82 in Garfield County, Glenwood Springs, CO.



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Secretary – Alexander DeGolia

APPROVED:



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Vice Chair – Kristen N. Bertuglia

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| 2024 Holy Cross REA Board Meeting Schedule<br>[Third Wednesday of each month]                                       |
| March 20, 2024—WebEx  |
| April 17, 2024—WebEx  |
| May 15, 2024—WebEx  |
| The Annual Meeting of Members will be held on<br>June 6, 2024, at 4 Eagle Ranch, 4098 Hwy 131,<br>Wolcott, CO 81655 |
| June <b>19</b> , 2024—in person— <u>Note New Date!</u>  |
| July 17, 2024—WebEx   |
| August 14, 2024 (strategic planning)—in person  |
| September 18, 2024—WebEx  |
| October 23, 2024—WebEx  |
| November 20, 2024—WebEx   |
| December 18, 2024—in person at Glenwood   |