

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

JULY 16, 2025

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 16, 2025, at 9:00 a.m. The meeting was held on 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 Adam Quinton called the meeting to order and reported that all seven Directors were present, Robert H. Gardner, David C. Munk, Adam Quinton, Alexander DeGolia, Keith Klesner, Linn Brooks, and Kim Schlaepfer. Staff attending included Bryan J. Hannegan, President and Chief Executive Officer; David Bleakley, Vice President – Engineering; Cody O’Neil, Vice President—Operations; Jenna Weatherred, Vice President—Member and Community Relations; Trina Zagar-Brown, Vice President—Business Services. Also attending was General Legal Counsel Karl K. Kumli, III, Jonathan Rosales Perez, Christina Conley, Michael Whiddon, Leah Feeley, Jon Caughlin, Maisa Metcalf, and Betsey Seymour.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Quinton adjourned the meeting of the Board of Directors originally convened on June 18, 2025, and then continued to today’s meeting.

Agenda Item 3: Public Comment. Chair Quinton asked for comments from members of the public present. Mr. Hannegan noted that there was one member of the public was present, Rich Clubine. He provided a brief comment and the Board

Agenda Item 4: Employee Recognition.
June Service Recognition:

Betsey Seymour, Executive Coordinator, is celebrating 10 years of service. Betsey started working with Holy Cross on July 27, 2015.

Ben Luck, System Operations Engineer II, is celebrating 5 years of service. Ben started working at Holy Cross on July 1, 2020.

Jace Sinks, Journeyman Lineworker, is celebrating 5 years of service. Jace started working at Holy Cross on July 7, 2020.

We received thank you notes from participants that attended the Washington DC youth tour thanking HCE for the opportunity.

Agenda Item 5: Light Up Navajo Project

Light Up Navajo was launched in 2019 as a mutual aid project with the Navajo Tribal Utility Authority. There are currently over 10,400 homes in the Navajo Nation that do not have utility electric service. This is the first time that Holy Cross has participated in the project, which is currently in its 6th season. HCE sent a 5-person crew of lineworkers, along with all the necessary equipment to work

on the project. Our crew was based out of Cortez, CO and drove to the project sites in both Arizona and New Mexico. Over the course of 5 working days, the crew installed 30 spans of single phase overhead line and 4 transformers, which will ultimately provide electric service to 5 different homes.

It was a privilege for HCE to participate in this project and to be able to play a small part in making an impact on the lives of the members of the Navajo Nation.

James Ray and Anthony Cordova left the meeting.

Agenda Item 6: Consent Calendar. The following informational items were presented to the Board in the form of written reports and memoranda:

- a. Minutes of Regular Meeting of June 18, 2025
- b. Treasurer's Report
- c. Safety Committee Minutes
- d. Cyber and Physical Security Committee Minutes
- e. Diversity, Equity, and Inclusion Committee Minutes
- f. Power Supply and Programs Report
- g. System Reliability Report
- h. Community Energy Systems Report
- i. Member Participation Report
- j. Legislative and Regulatory Report
- k. Attorney's Report
- l. Board Committee Reports
- m. Directors' Reports

Questions posed by Directors were answered by staff. 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.

Agenda Item 7: Staff Reports. Staff reports were delivered to Directors prior to the meeting. Questions from Directors were answered by staff.

A short break was taken.

Agenda Item 8: Old Business. None.

Agenda Item 9: 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" 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 the Memorandum.

b. CoBank Signatures Authorizations. Vice President Whelan made a verbal presentation to designate both the President and CEO and the Vice President of Finance as authorized signatories for CoBank Transactions.

HCE is a borrower of CoBank and has access to two separate lines of credit available for short-term borrowing. The first is a committed line of credit for \$1MM, and the second is an uncommitted line of credit for \$3MM. HCE often draws on these lines of credit for short-term borrowing needs.

When HCE renewed the CoBank loan agreement in 2018, the President and CEO was designated as an authorized signatory for CoBank transactions. The intent of this resolution is to additionally authorize the Vice President of Finance as an authorized signatory for CoBank transactions. 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 each of the following persons or positions **President & Chief Executive Officer, Vice President of Finance** and any other to be authorized under this Resolution.

_____ (the “Authorized Signatories”) of the Borrower are hereby jointly and severally authorized and empowered to obtain for and on behalf of the Borrower from time to time, from Lender, a loan or loans or other financial accommodates (including, without limitation, interest rate swaps, hedges, caps, collars or similar arrangements designed to protect against fluctuations in interest rates (the “Hedging Transactions”), letters of credit, not purchase agreements and bankers acceptances) (each, a “Loan”) and for each purposes: (1) to execute and deliver such application or applications (including exhibits, amendments or notes thereto) as may be required for such Loan and all borrowings thereunder; (2) to obligate the Borrower to repay all amounts borrowed and pay such rate or rates of interest as the Authorized Signatories so acting shall deem proper, and in connection therewith to purchase such interest rate risk management products as may be offered from time to time by Lender; (3) to obligate the Borrower to such other terms and conditions as the Authorized Signatories so acting shall deem proper; (4) to cause the Borrower to become a member of Lender and to obligate the Borrower to make such investments in Lender as required by Lender; (5) to execute and deliver to Lender or its nominee all such written loan agreements, interest rate swap, hedge, cap, collar or similar agreement, including any mast agreement published by the International Swap and Derivatives Association, Inc. and such other documents and instruments as may be required by Lender in regard to or as evidence of any Loan made or Hedging Transaction entered into pursuant to the terms of this Resolution; (6) to pledge, grant a security interest of lien in, or assign property of the Borrower or property of others on which it is entitled to borrow, of any kind and in any amount as security for any or all obligations (past, present and /or future) of the Borrower to Lender, and to execute and deliver to Lender or its nominee all such security agreements, pledges, mortgages, deeds, or trust, financing statements and other documents as may be required by Lender in connection therewith; (7) from time to time to extend, amend, renew or refinance any such Loan and to execute and deliver all agreements, notes, instruments and other documents as may be required in connection therewith; (8) to reborrow from time to time all or any part of the amounts repaid to Lender on any Loan made pursuant here to (whether for the same or a different purpose); (9) to execute and deliver to Lender such agreements, addenda, documents or instruments as may be required by Lender in the event that the Borrower elects to use Lender’s electronic banking system (the “System”); (10) to execute and deliver to Lender any agreements, addenda, authorization forms and other documents or instruments as may be required by Lender in the event that the Borrower elects to use any services or products related to a Loan that are offered by Lender now or in the future, including without limitation and automated clearing house (ACH) service; (11) to direct and delegate to designated employees of the Borrower the authority to direct, by written or telephonic

instructions or electronically, if the Borrower has agreed to use the System for such purpose, the disposition of the proceeds of any Loan authorized herein, and to direct Lender to deliver any property of the Borrower at any time held by Lender; and (12) to delegate to designated employees of the Borrower the authority to request by telephonic or written means or electronically, if the Borrower has agreed to use the System for such purpose, loan advances and/or other financial accommodations, and in connection therewith, to fix rates and agree to pay fees and to direct the proceeds of advances to authorized accounts. In the absence of any direction or delegation authorized in (11) or (12) above, all existing directions and/or delegations shall remain in full force and effect and shall be applicable to any Loan authorized herein.

RESOLVED FURTHER, that each of the Authorized Signatories is hereby jointly and severally authorized to; (1) establish a Cash Investment Services Account with Lender; (2) make such investments therein as any Authorized Signatory shall deem proper; (3) direct by written or telephonic instructions or electronically, if the Borrower has agreed to use the System for such purposes, the disposition of the proceeds therein; (4) delegate to designated employees of the Borrower the authority set forth in (2) and (3) above; and (5) execute and deliver all documents and agreements necessary to carry out this authority.

RESOLVED FURTHER, that each of the Authorized Signatories is hereby jointly and severally authorized and directed to do or cause to be done, from time to time, all things which may be necessary or proper to carry out the terms and intent of this Resolution.

RESOLVED FURTHER, that every act and action of any person heretofore executing any document or instrument delivered to Lender for its designee or required to create, make, enter into, perform, amend or confirm any obligation of the Borrower to or in favor of Lender, is hereby ratified, approved, adopted and confirmed as if it had been validly and lawfully authorized upon and as of the date of such act or action, notwithstanding any invalidity, defect or insufficiency that may exist or may have existed in the power or authority of such person then executing such document or instrument, and every such person and each of the Authorized Signatories are hereby jointly and severally delegated all necessary power and authority to effect the foregoing.

RESOLVED FURTHER, that any of the Authorized Signatories are hereby authorized and directed to cast the ballot of the Borrower in any and all proceedings in which the Borrower is entitled to vote for the selection of a member of Lender's board of directors or for any other purpose.

RESOLVED FURTHER, that this Resolution shall remain in full force and effect until a certified copy of a duly adopted resolution effecting a revocation or amendment, as the case may be, shall have been received by Lender; provided that no such revocation or amendment shall affect the validity of any action or actions made or taken in reliance on such resolution(s) prior to the effective date of revocation. In addition, all authorities herein granted shall apply with equal force and effect to the successors in office of the Authorized Signatories herein named.

RESOLVED FURTHER, that effective on the date when this Resolution is delivered to Lender, any and all prior resolutions authorizing and empowering Authorized Signatories of the Borrower to take actions as described herein are hereby revoked' provided that no such revocation shall affect the validity of any action or actions made or taken by Lender prior to the effective date of revocation.

RESOLVED FURTHER, that the Secretary or Authorized Signatory of the Borrower is hereby authorized and directed to certify to Lender a copy of this Resolution, the names and specimen signatures of the Authorized Signatories, and if and when any change is made in the personnel of any Authorized Signatories, the fact of such change and the name and specimen signatures of the

new Authorized Signatories. Lender shall be entitled to rely on any such certification until a new certification is actually received by Lender.

c. Board Governance Training. General Counsel Kumli reviewed with the Board the relevant Corporate Policies dealing with Board governance issues and provide opportunities for questions and discussion.

HCE's Corporate Policies contain numerous provisions related to the Board of Directors and the conduct of its activities, including:

- Corporate Policy 4.1 – Functions of the Board of Directors
- Corporate Policy 4.2 – Board of Directors Acts and Authority
- Corporate Policy 4.3 – Meeting of the Board of Directors
- Corporate Policy 4.4 – Communication Among Board Members

A copy of the Corporate Policies 4.1 through 4.4 were provided to the Board for review prior to the meeting. Board members asked questions and Staff and General Counsel provided answers.

d. Fiscal Year 2025 Audit Report. Vice President Sam Whalen provided the annual financial audit for fiscal year 2025 to seek review and acceptance of the audit report.

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 HCE 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 our independent auditor has been completed, and a final report was presented by the auditor via conference call to the HCE Finance Committee (acting as the Board Audit Committee) at its meeting on July 7, 2025. The auditor's report and supporting material were provided to the Board prior to the meeting.

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 independent audit of the financial statement of Holy Cross Energy for the fiscal year ended April 30, 2025, be accepted, and published on the HCE website.

e. IRS Form 990 Approval. Vice President Whelan advised the Board on the requirement for filing of the 2024 IRS Form 990 and to seek approval to do so.

In order to maintain nonprofit status with the IRS, HCE is required to file an informational return called the Form 990. The draft Form 990 for 2024 has been completed by our audit firm Kelso/Lynch and was made available to the Board prior to the meeting.

This Form 990 is public information and can be requested from the IRS. To facilitate access by members and the public, HCE will continue to post this information on the website. Staff will work with Kelso/Lynch to finalize the Form 990.

Board members posted questions and after receiving the answers, upon motion duly made, seconded, put to a vote and unanimously carried, it was:

RESOLVED, that Holy Cross staff be directed to file the 2024 IRS Form 990 and staff will publish the filed Form on the Holy Cross website.

f. Representation to Partner Organizations. Vice President Jenna Weatherred advised the Board of an invitation to serve on the governing board of a partner organization and propose next

steps. She recommended that selected staff serve as associate board members or advisory committee members with our key partner organizations that are focused on energy efficiency, building electrification, and climate action.

HCE partners closely with numerous local nonprofits, government agencies, and community organizations engaged in energy efficiency, beneficial electrification, affordable housing, and sustainability. In particular, HCE partners with three groups that are critical to delivering programs that support HCE's goals for load flexibility, decarbonization, and equity.

- Community Organization for Resource Efficiency (CORE)
- Eagle County Climate Action Collaborative
- Garfield Clean Energy

Prior to 2025, HCE was invited to nominate a full voting CORE Board representative as a "local government" entity involved in the founding of CORE. However, in January 2025, CORE reorganized its Board to remove its local government appointees and replace them with community representatives selected at large. As a result, HCE presently maintains no formal or informal governance role with CORE.

In March 2022, HCE joined the Board of Garfield Clean Energy in a non-voting advisory role. This role is held by HCE's Vice President for Member and Community Relations, allowing HCE staff to strengthen our relationships with our closest collaborators, elevate our organizational visibility, and gain awareness of our partners' initiatives earlier, whether they are directly energy-related or more widely focused on climate action, so that improved coordination of activities can occur.

In May 2025, the Eagle Valley Climate Action Collaborative ("CAC") sent a letter to the HCE Board of Directors with an invitation to join the CAC Board in a non-voting, advisory capacity. The invitation letter was provided to the Board prior to the meeting. As this letter was addressed directly to the Board, it was included on this month's meeting agenda for consideration.

Given the similarities between this invitation and the current role HCE has with Garfield Clean Energy, it may make sense for all such representation to partner organizations to be conducted through the Member and Community Relations function at HCE. Further, if the Board agrees, staff would like to approach CORE about a similar non-voting, advisory relationship with that organization's governing Board.

Board members posted questions and after receiving the answers, upon motion duly made, seconded, put to a vote and unanimously carried, it was:

RESOLVED, that the Holy Cross Energy Board of Directors accept the invitation of the invitation of the Eagle County Climate Action Collaborative to designate a representative to the CAC Board to serve in advisory capacity; and

FURTHER RESOLVED, that the Vice President, Member & Community Relations (or their designee) represent HCE to the Eagle County CAC Board; and

FURTHER RESOLVED, that staff be directed to inquire of CORE whether a similar advisory relationship would be feasible and desirable.

A break was taken for lunch. Rich Clubine left the meeting.

Lisa Reed, Kyle Lord, Kimbrell Larouche, Stefan Johnson, Jon Caughlin and David Manning joined the meeting.

g. **Demand Response and Load Flexibility**. Vice President Whelan, Lisa Reed, Kyle Lord, Stefan Johnson, and Kimbrell Larouche provided a summary of HCE's various demand response and load flexibility programs.

HCE has invested in multiple programs, staff, and technology to support our efforts around demand response and load flexibility. Demand response is more traditionally focused on programs and devices that help electricity consumers reduce their electric load during peak periods. Load flexibility goes beyond based on pricing or electric supply conditions.

HCE's largest cost driver that factors into the development of flexible programs is our coincidence peak demand charge from PSCo. HCE pays PSCo a demand charge each month based on the combined electric load on the HCE system during the hour at which the PSCo system reached its peak. In 2025, our demand budget with PSCo is \$17MM out of a total power purchase budget of \$70MM. While the PSCo demand charge is a primary economic driver for program development, the HCE Programs Team is developing programs with overall flexibility in mind – particularly related to shifting load during times of high renewable oversupply.

HCE has multiple demand response and load flexibility programs in place and in development. Some of the main programs we offer are:

- **Rebates provided for member load flexibility** (smart thermostats, building controls, heat tape timers, EV charger and storage rebates, etc)
- **Peak Time Payback** (behavioral demand response program providing bill credits for voluntary reductions in load during specific time periods)
- **EV charging programs** (rebates and contractual control for load flexibility – direct control evaluation occurring through the DER workplan)
- **Power+ and Power+ Flex battery programs** (direct control of battery dispatch at member homes)

HCE's approach to these programs aims to give members multiple options for the level of control they are willing to give to HCE. For example, members receive the highest level of payment for programs like Power+ and Power+ Flex, where HCE has direct control over battery dispatch, ensuring we receive maximum saving from the devices. We also offer lower compensation options such as Peak Time Payback, where members have the option to respond and there is no direct utility control involved in their response.

HCE has invested in the Programs Team with the vision that demand response and load flexibility are important aspects of our energy supply transition. While utility scale assets are necessary to achieve renewable goals at scale, load flexibility plays an important role in managing both costs and our more volatile supply portfolio. It should also be noted that the applications that offer some of the most load flexibility and demand response potential (electrification of building and transportation) also represent some of the biggest opportunities of net load growth for HCE.

Our load flexibility programs are designed to maximize savings for our members and minimize any negative impact of HCE's needs. For example, Xcel has been rolling out a TOU rate that includes a 6-hour mid/on-peak window from 1-7 p.m. every day of the week. That represents 102 hours of peak pricing in the month of June. In contrast, our Power Supply and Programs Team called two Peak Time Payback events totaling just 6 hours in order to successfully capture the benefits of reducing load during the PSCo peak.

HCE staff are excited to continue expanding our demand response programs, finding ways to maximize load flexibility value by balancing our energy supply, and developing tools to provide locational dispatch capabilities should it be beneficial to our distribution system in the future.

Kimbrell Larouche, Kyle Lord, Stefan Johnson, Lisa Reed and David Manning left the meeting.

h. Public Safety Power Shutoff Plan. Vice President Cody O'Neil provided an update on current and planned activities related to the development of a formalized plan for a Public Safety Power Shutoff ("PSPS").

As the Holy Cross Energy service territory continues to experience elevated fire conditions compared to years past, staff determined that the most prudent course of action would be to prepare for the potential necessity of a Public Safety Power Shutoff ("PSPS"). A PSPS is a last line of defense to protect against the possibility of the HCE distribution system being the source of ignition for a catastrophic wildfire, which could endanger our members and communities.

The Board-approved Wildfire Mitigation Work Plan included in both 2024 and 2025 the development of a PSPS plan in coordination and consultation with community partners including first responders, local government officials, and other affected entities. A first draft of the proposed PSPS Plan is included in your Call to Order, and staff will provide a briefing on the Plan. When completed, the PSPS Plan will enable HCE to proactively prepare for a PSPS even (should one be warranted) through tabletop exercises and communication efforts with our communities.

While a PSPS eliminates the risk of fire ignition from the HCE system it also interrupts electric service to our members. We do not want to negatively impact our members unless conditions are truly extreme. There are numerous weather forecast tools along with fire condition monitors that are available both in the public space and commercially. These tools allow users to monitor various weather and fire conditions to determine when extreme fire conditions may be approaching. We have collaborated with local fire departments to learn the thresholds of various fire weather conditions at which they become concerned.

The insights that we have gained from various engagements with other utilities, local fire agencies, local fire collaboratives and other industry experts have allowed us to create a plan which we believe will balance providing excellent service to our members with our responsibility for safety should a PSPS become necessary.

Jon Caughlin left the meeting.

Agenda Item 10: Items for Future Agendas. Discussion about the items on the list ensued, resulting in changes to the allocation of subjects on future Board meeting agendas.

General Counsel Betsey Seymour and Jonathan Rosales Perez left the meeting.

Agenda Item 11: Executive Session. Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution.

RESOLVED, that the Board enter executive session to consider documents or testimony given in confidence generally relating to personnel matters. General Legal Counsel Kumli left the meeting. Later, all staff members with the exception of Mr. Hannegan left the meeting. Mr. Hannegan left the meeting.

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 action calling for the payment of money.

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

RESOLVED, that the Board exit executive session.

Agenda Item 12: Continuation of Board Meeting. Chair Quinton continued the meeting at 5:15 p.m. until **Wednesday, August 20, 2025, 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 from members of the public will be permitted at the commencement of the meeting prior to entering the executive session.



Secretary – David C. Munk

APPROVED:



Chair – Adam Quinton

2025 Holy Cross Energy Board Meeting Schedule [Third Wednesday of each month]
August 20, 2025—in person at Glenwood Springs
September 17, 2025—WebEx
October 15, 2025—in person at Cooley Mesa
November 19, 2025—WebEx
December 17, 2025—in person at Glenwood Springs