

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

November 19, 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 Glenwood office at 3799 Highway 82 in Garfield County, Glenwood Springs, CO on November 19, 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. Vice Chair Alex DeGolia called the meeting to order and reported that five Directors were present, Robert H. Gardner, Linn Brooks, David Munk, Keith Klesner, 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, Michael Whiddon, Leah Feeley, and Betsey Seymour.

Agenda Item 2: Public Comment. Vice Chair DeGolia asked for comments from members of the public present. Mr. Hannegan noted that there were no members of the public present.

Agenda Item 3: Employee Recognition.
November Service Recognition:

Cal Bullington is celebrating 10 years of service. Cal started working with Holy Cross on November 23, 2015.

Natalie Kellum joined us on October 27, 2025, as the Administrative & Project Coordinator, Member and Community Relations.

Ethan Barnes has been promoted to Journey Lineworker. He previously held an Apprentice Lineworker IV position. Promotion took place on November 1, 2025.

Daniel Fairchild has been promoted to Journey Lineworker. He previously held an Apprentice Lineworker IV position. Promotion took place on November 1, 2025.

Ryder Bossow has been promoted to Journey Lineworker. He previously held an Apprentice Lineworker IV position. Promotion took place on November 1, 2025.

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 Regular Meeting of October 15, 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. Member and Community Relations Report
- i. Legislative and Regulatory Report
- j. General Counsel Report
- k. 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 5: Staff Reports. Staff reports were delivered to Directors prior to the meeting. Questions from Directors were answered by staff.

Dave Munk left the meeting briefly.

Agenda Item 6: Old Business.

a. Amendments to Corporate Policies. President and CEO Bryan Hannegan provided the Board with proposed changes to Corporate Policies as recommended by the Governance Committee following review by himself and Legal Counsel.

Pursuant to Section 2.1.1 of Corporate Policy 1.1, "Development of Corporate Policies", the President and CEO ("CEO") is required to review each Corporate Policy once every three years. The last such review of the Corporate Policies was conducted during March and April 2022, with resulting suggested changes being approved by the Board of Directors at its May 2022 regular meeting.

On July 23, 2025, the CEO circulated copies of all Corporate Policies to Directors, Senior Staff and Counsel, asking for suggestions for revisions to be provided by August 29. Mr. Hannegan compiled all proposed revisions and comments into a single set of "redlines" which was made available for review in the October 2025 Board meeting materials.

Following a brief discussion of the drafter "redlines" at the Board's October 2025 Regular Meeting, the matter was referred to the Governance Committee for further consideration. The Governance Committee met on November 10, 2025, and worked through nearly all the "redlines" except for the following items:

1. In CP 4.3, should Committee meeting be entirely open (as Board Meetings are) or should they be considered "special meetings" with limited public participation?
2. In CP 4.3, should the list of potential Executive Session topics mirror State statute (Counsel to advise) or should they be "not limited to" the list of topics?
3. In CP 5.2, what is the Board's goal with respect to electric rate comparison (of the three options suggested)?

An updated version of the "redlines" to the Corporate Policies reflecting the Governance Committee's recommendation was provided prior to the meeting.

General Counsel provided its view on Question #2 (Executive Session topics) in the form of a memorandum included separately prior to the meeting. Counsel's view is that the eligible list of topics for an Executive Session is limited to only those provided for in the Colorado Revised Statutes which do apply to Holy Cross Energy in this case. The current "redlines" reflect this advice of Counsel.

Directors discussed questions #1 and #3 and provided further revisions to the Corporate Policies. Those revisions were made to the Corporate Policies during the meeting to provide a final document.

A motion was made, seconded and carried that it was

RESOLVED, that the proposed amendments to the Holy Cross Energy Corporate Policies be approved and further modified during the meeting.

Agenda Item 7: New Business.

a. Annual Meeting Date and Location. Vice President Jenna Weatherred presented the recommendations to the Board a date and location for the 2026 Annual Meeting.

HCE held its Annual Meeting on Thursday, June 5, 2025, at Buttermilk Mountain Lodge. We unveiled our new safety demonstration trailer, featuring 20-minute electric safety demonstration, and provided bucket truck rides, face painting, energy partner tables, and live music. The event was followed by dinner, a business meeting, elections results, and a live Q&A session.

This meeting/celebration used visuals, educational installations, staff announcements, and fun activities to create an engaging and educational experience. Many members commented that it was their favorite Annual Meeting yet, and the food was delicious.

Each year, we change locations between the Eagle River Valley and the Roaring Fork Valley. For our 2026 Annual Meeting, the Communications team vetted two locations in the Eagle River Valley.

- 4 Eagle Ranch, Wolcott
- Edwards Field House, Edwards

4 Eagle Ranch was selected as the staff's recommended choice for the 2026 HCE Annual Meeting. Both indoor and outdoor spaces are available, accommodating up to 350 members comfortably. We worked with the 4 Eagle staff in 2024 and had a very positive experience with their team. Many members commented at the time that it was the best Annual Meeting in the Eagle River Valley. The location also offers ample parking. The cost is expected to be comparable to previous years, budgeted at \$80,000. Staff recommend holding the event on Thursday, June 4, 2026.

Staff considered other locations, but they were unable to accommodate the expected size of our group.

After a verbal and written presentation to the Board. A motion was made, seconded, and unanimously carried that it was

RESOLVED, that the 2026 Annual Meeting of the Members be held at 4 Eagle Ranch on Thursday, June 11, 2026.

b. Appointment of Election Committee. Vice President Jenna Weatherred provided information to establish an independent Election Supervision Committee to oversee the upcoming Board of Directors Election.

Section 2.3 of HCS 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, 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 HCE's Legal Counsel, a representative of the election management firm, and a member of HCE's management staff).

In addition, Colorado House Bill 21-1131 made several changes to the state statute concerning electric cooperative elections. These changes became effective September 7, 2021. Following review by HCE legal counsel and staff, the Board adopted changes to Corporate Policy 4.6 that allowed for

electronic elections beginning in 2023. Since then, voter participation has increased, and no significant issues have been reported.

After 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 HCE staff to contract with Survey and Ballot Systems to manage the 2026 Election of HCE Directors; and

FURTHER RESOLVED, that an Election Supervisory Committee be appointed to oversee the 2026 Election of HCE Directors, consisting of the following members:

- HCE's General Counsel, Karl Kimli
- A representative from Survey and Ballot Systems, Matt Fiala, and
- A member of HCE's management staff, Jenna Weatherred

Nicole Moore entered the meeting.

c. Selection of External Audit Firm. Vice President Sam Whelan gave a presentation to inform the Board's evaluation and final selection of independent audit service for the year 2026-2028.

Pursuant to Article V, Section 5.8 of the Holy Cross Energy Bylaws, the Board of Directors hires an independent auditor who reports directly to the audit committee. The existing contract expires after the 2025 audit cycle. In September, HCE staff issued a Request for Proposal for audit service for the years 2026-2028. HCE staff reviewed and rated the 7 proposals received. Responsive proposals received were provided prior to the meeting. A visual summarized version of the top 3 proposals included comparison on price and service were presented.

After a verbal and written presentation to the Board. A motion was made, seconded, and unanimously carried that it was

RESOLVED, that Holy Cross Energy contract with the firm BSGM for independent auditing service during the period of 2026-2028 with option for staff to extend the agreement up to 5 years with maximum price of \$70,000, subject to final negotiations.

d. Long Term Financial Forecast. Vice President Sam Whelan presented a long-term projection of Holy Cross Energy's financial trajectory.

Holy Cross staff developed a long-term financial plan, based on input from the various HCE Departments on their expected future operating and capital needs.

The current Long Term Financial Plan has a Base Case with the following assumptions:

- 1,341 GWh sales in 2026, then an average increase of 1.6% per year through 2035, reflecting a more aggressive projection based on Sunairio model.
- Power supply costs assume Guzman, NextEra, Hunter, AES, and Ameresco deals: PSCo wholesale contract as backstop.
- Labor expenses increase yearly at 3%
- Non-labor expenses increase at 3% per year through 2035
- Capital Expenses follow 10-year draft plans presented in October from Construction Engineering, Fiber, Cybersecurity, and IT infrastructure
- Interest rate for future borrowing is estimated at 5.5% through 2035
- Margins determined at 5% for 2026, 5.25% for 2027 and beyond: 20-year rotation for capital credits
- Includes latest C3 production forecast through 2029
- Includes higher transmission costs tied to Colorado Power Pathway

- Assumes \$4MM deferred revenue being utilized in 2026; Use remaining \$4MM to manage increased TIE expense for Colorado Power Pathway

These assumptions result in a Long-Term Financial Plan with:

- HCE's rates are projected to grow 1.4%/yr. over the next decade
- 4%/yr. rate increases projected over the next 3 years
- Steady increases as Colorado Power Pathways is placed into service increasing TIE; Reduction in 2030/31 for Gilman line

With respect to our Financial Ratios (important for lenders' estimate of our credit risk):

- >40% of equity goal projected to be sustained through 2035
- Debt Service Coverage remains strong

No resolution, just an informational item, the full 2026 Operating and Capital Budgets will be presented to the Board for approval at the December regular meeting of the Board.

A lunch break was taken. Leah Feeley left the meeting. Christina Conley entered the meeting

e. Draft 2026 Work Plan Initiatives. President and CEO Bryan Hannegan provided proposed 2026 work plan initiatives and their alignment with the HCE Strategic Plan to get Board review and comment.

Each year in November, HCE staff develop work plans to guide their activities intended for the following year. These work plan initiatives have been organized in alignment with the goals and objectives of the Strategic Plan.

In reviewing these work plan initiatives, the Board keeps in mind day-to-day activities of staff are operational and focused on fulfilling ongoing commitments to safely provide reliable, affordable and increasingly sustainable energy and service to the members and their communities. The Key Performance Indicators (KPIs) established each year at the December Board Meeting are the most appropriate way for the Board to exercise oversight over those operational and ongoing activities.

Staff briefly described each of the work plan initiatives, identified how they are aligned with one or more Strategic Plan strategic goals and objectives, and defined the tasks, and deliverable outcomes associated with each initiative. After each work plan initiative as presented, Board members had the opportunity to comment and suggest refinement. Based on feedback from the Board and further work by staff, the work plan initiatives will be finalized and presented at the December Board meeting along with the 2026 budget request for review and approval.

Elizabeth Malloy joined the meeting

f. Draft 2026 Operating Budget. Vice President Sam Whelan presented the 2026 draft operating budget to engage the Board in discussion around further budget reduction options.

Each November, HCE draft operating budget for the following year is reviewed with the board of Directors. A presentation was provided highlighting the first draft of the operating budget, identifying recommended areas of reduction that are planned to be implemented, and discussing further options to reduce pressure in 2026 that is largely due to PSCo rate and transmission cost increases.

Following the meeting staff will refine the budget, implement reduction options, and provide the Board with a final version for approval at the December Board meeting.

g. Draft 2026 Capital Budget. Vice President Sam Whelan informed the Board of the 2026 draft capital budget.

In November, HCE's draft capital budget for the following year is reviewed with the Board of Directors. A presentation was provided at the meeting, highlighting the first draft of the capital budget.

Following the meeting, staff will refine the budget, evaluate and implement reduction options, and provide the Board with a final version for approval at the December Board meeting.

Michael Whiddon, Nicole Moore, and Elizabeth Malloy left the meeting.

Agenda Item 8: 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.

Agenda Item 9: Executive Session.

Agenda Item 10: Adjourn. Vice Chair DeGolia adjourned the meeting at 4:09 p.m. until **Wednesday, December 17, 2025, at 9:00 a.m.** The next meeting will be held in person at the Holy Cross office in Glenwood Springs, Colorado.

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Secretary – David C. Munk

APPROVED:

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Chair – Adam Quinton

<p style="text-align: center;">EARLY TENTATIVE</p> <p style="text-align: center;">2026 Holy Cross REA Board Meeting Schedule</p> <p style="text-align: center;">[Third Wednesday of each month]</p>
January 21, 2026—Webex
February 18, 2026—in person at Cooley Mesa
March 18, 2026—Webex
April 15, 2026—Webex
May 20, 2026—Webex
The Annual Meeting of Members will be held on June 11, 2026, at 4 Eagle Ranch, Eagle, Colorado.
June 17, 2026—in person at Glenwood
July 15, 2026—Webex
August 19, 2026 (strategic planning)—in person TBD
September 16, 2026—Webex
October 21, 2026—in person at Cooley Mesa
November 18, 2026—Webex
December 16, 2026—in person at Glenwood