

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

FEBRUARY 19, 2019

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 at 9:03 a.m. on February 19, 2019.

Agenda Item 1: Roll Call. Chair Megan M. Gilman reported that five of the seven Directors were present in person being Megan M. Gilman, Robert H. Gardner, David C. Munk, Clemons M. Kopf, and Michael A. Glass; and Adam L. Palmer was present on a conference call. Kristen N. Bertuglia was absent, however she will call in on the conference line later. Staff attending included Bryan J. Hannegan, President and Chief Executive Officer; David Bleakley, Vice President – Engineering; Bob Farmer, Vice President - Information Technology; John Rowley, Vice President - Human Resources; Cody O’Neil, Vice President - Glenwood District Operations; Rick Arnhold, Vice President – Eagle / Vail District Operations; Steve Beuning, Power Supply and Programs; Drew Schiller, Vice President – Finance; Jenna Weatherred, Vice President - Member and Community Relations; Delwyn Fletcher, Contract Services Analyst / Supervisor and Kenton Berner, Utility Tech—Engineering Design; and General Legal Counsel Randolph W. Starr.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Gilman adjourned the meeting of the Board of Directors originally convened on January 16, 2019, and then continued to today’s meeting.

Agenda Item 3: Public Comment. Chair Gilman asked for comments of members of the public present. No members of the public were present.

Agenda Item 4: Employee Recognition. Delwyn Fletcher, Contract Services Analyst / Supervisor in our Glenwood Springs Headquarters is celebrating 15 years of service, and Kenton Berner, Utility Tech—Engineering Design in our Glenwood Springs Headquarters is celebrating 15 years of service. The employees were recognized for their service to Holy Cross. The employees left the Board room. [09:12]

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 16, 2019 Regular Meeting
- b. Treasurer’s Report
- c. Safety Operating Committee Minutes
- d. Power Supply Report
- e. Attorney’s Report
- f. Staff Reports
- g. Board Committee Reports
 - i. Communications

- ii. Finance
- iii. Governance
- iv. Strategic Issues
- h. Directors' Reports
 - i. Western United Electric Supply Corporation
 - ii. Colorado Rural Electric Association

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. [09:31]

Agenda Item 6: Old Business.

a. Establishment of Elections Supervision Committee. Vice President Weatherred made a presentation about the requirement of the Voting and Elections Policy to name a CPA firm to oversee the election of directors and to appoint an Election Supervisory Committee. After discussion by the Board, upon motion made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that the Board appoints the Certified Public Accounting firm of Tapp & Associates, Inc. to receive, prepare and secure return envelopes containing ballots, and tabulate ballots and report voting results to the Board of any contested Board of Directors election in 2019.

FURTHER RESOLVED that the Board appoints and Election Supervisory Committee consisting of Randolph W. Starr, Holy Cross Energy's general legal counsel; Donald Tapp, CPA from Tapp & Associates, Inc., CPA firm; and Jenna Weatherred, Vice President - Member and Community Relations, to oversee the election and voting process of any contested Board of Directors election in 2019. [09:33]

b. Key Performance Indicators for 2019. President and Chief Executive Officer Hannegan gave a verbal presentation about the Report. The written version of the Report had been distributed prior to the Board Meeting. Mr. Hannegan and other staff members responded to questions from members of the Board. Upon motion made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED, that the Key Performance Indicators (KPIs) for 2019 be adopted as proposed by staff with some additions and changes as noted during the discussion. [10:06] Director Palmer dropped off the conference call.

Agenda Item 7: New Business.

a. Solar Project Power Purchase Agreement. After a presentation by Vice President Beuning, and discussion among the Board [director Bertuglia joined the meeting on the conference call during the discussion], upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that staff be authorized to proceed with completion and execution of the Hunter Solar PPA, subject to finalization of the remaining open issues outlined in the materials and discussion by staff. [10:48]

A short break was taken. [10:48-11:03] Manuel Gomez, IT Infrastructure Supervisor, entered the Board room.

b. Review of Proposed 2019 NRECA Resolutions. A presentation was made by President and Chief Executive Officer Hannegan, and the proposed Resolutions had been provided to the

Board prior to the meeting. Board members discussed the proposed 2019 NRECA Resolutions, and offered guidance to the Holy Cross Energy voting delegate, Chair Gilman, prior to this year's Annual Meeting. [11:16]

c. Signatory Authorization for USFS / BLM. A memorandum had been given to the Board prior to the meeting, and President and Chief Executive Officer Hannegan provided further information about the request to update the list of HCE employees authorized to execute applications for Federal agency rights-of-way, permits or other associated documents. The Board engaged in discussion, and upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that Bryan J. Hannegan, President and Chief Executive Officer; David Bleakley, Vice President – Engineering; and Andrew Schiller, Vice President – Finance are hereby authorized without qualification to execute, deliver and file, upon behalf of Holy Cross Energy, any and all applications for rights-of-way or permits to the Bureau of Land Management, Department of Transportation, and United States Forest Service, together with any and all documents which may be necessary in connection with such applications; and

FURTHER RESOLVED, that said authorization shall remain in force and effect until and unless written notice of the revocation is delivered. [11:17]

d. Broadband Communications Strategy. Vice President Farmer and Mr. Gomez gave a verbal presentation in addition to the material supplied to the Board prior to the meeting about access to reliable broadband service for Holy Cross and to the public. They responded to questions posed by Board members. [12:10]

Agenda Item 8: Lunch with Administration Department.
A break for lunch was taken. [12:10 – 13:09]

d. Broadband Communications Strategy. Vice President Farmer and Mr. Gomez continued their verbal presentation. [13:57]

e. March Board Meeting Date. Chair Gilman discussed a change to the March 13 Holy Cross Board meeting. Upon motion duly made, seconded and unanimously carried, the March Board meeting was changed to **March 20 at the Cooley Mesa office** [attorneys Starr and Westbrook will not be able to attend]. President and CEO Hannegan asked about his potential absence from the April 17 Board meeting. Discussion ensued about a change to the date. Upon motion duly made, seconded and unanimously carried, the April Board meeting was changed to **April 24 at the Glenwood Springs office**. [14:08]

Agenda Item 9: 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 review of 2018 Board expenses and CEO evaluation. All staff members except Mr. Hannegan left the Board room.

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.

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

RESOLVED that the Board exit executive session. [14:53]

Agenda Item 10: Continuation of Board Meeting. Chair Gilman recessed the meeting at 14:53 p.m. until the regular Board Meeting on **March 20, 2019**. **NOTE NEW DATE AND LOCATION OF MEETING.** The next meeting will be held at Holy Cross's office at the **Cooley Mesa office at 0132 Buckhorn Valley Blvd, Gypsum, CO 81637** in Eagle County at 9:00 a.m.

Secretary – Robert H. Gardner

APPROVED:

Chair – Megan M. Gilman

NOTE: The 2019 regular Board Meeting dates are scheduled for:

- March 20**, 2019 [note change back to regular schedule];
- April 24**, 2019 [note change from regular schedule];
- May 15, 2019; [Annual Member Meeting is June 6, 2019]
- June 19, 2019;
- July 17, 2019;
- August 21, 2019;
- September 18, 2019;
- October 16, 2019;
- November 20, 2019; and
- December 18, 2019.

Upcoming Meetings of Associated Organizations:

- NRECA Annual Meeting March 10-13, 2019 in Orlando-last day of meeting conflicts with March Board meeting.
- NRECA Legislative Conference April 28-30, 2019, in Washington, D.C.
- NRECA Summer School for Directors August 2-7, 2019, in Branson.
- NRECA Region 7 & 9 Meeting September 24-26, 2019, in Spokane.
- CREA Semi-annual Meeting and Energy Innovations October 26-30, 2019, Denver.
- NRECA Winter School for Directors December 12-18, 2019, in Nashville.