

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

APRIL 24, 2019

Prior to the meeting at 8:00 a.m. Agenda Item 3: An Electrical Safety Presentation was given to employees and board member by an employee of United Power and by a representative of the Burn Center at Northern Colorado Medical Center in Greeley, Colorado. The Board assembled in Building C in the cold storage area a presentation on electrical safety and burn treatment. At the conclusion of the presentation, the Board assembled in the Board room

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 3799 Highway 82 in Garfield County, Glenwood Springs, CO at 9:30 a.m. on April 24, 2019.

Agenda Item 1: Roll Call. Chair Megan M. Gilman reported that all of the seven Directors were present in person being Megan M. Gilman, Robert H. Gardner, David C. Munk, Clemons M. Kopf, Michael A. Glass, Adam L. Palmer and Kristen N. Bertuglia. 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, Vice President - Power Supply and Programs; Drew Schiller, Vice President – Finance; and Jenna Weatherred, Vice President - Member and Community Relations. Barry Croissant, Manager-Purchasing & Facilities and Lisa Reed, Power Supply Supervisor, also entered the Board room.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Gilman adjourned the meeting of the Board of Directors originally convened on March 20, 2019, and then continued to today’s meeting.

Agenda Item 4: Public Comment. Chair Gilman asked for comments of members of the public present. No members of the public were present.

Agenda Item 5: Employee Recognition. Barry Croissant in our Glenwood Springs Headquarters is celebrating 25 years of service, and Lisa Reed in our Glenwood Springs Headquarters is celebrating 10 years of service. The employees were recognized for their service to Holy Cross. The employees left the Board room. [09:40]

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 March 20, 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

i. RoundUp Foundation Annual Report

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. [10:18]

Agenda Item 7: Old Business.

a. Quarterly Safety and Loss Report. Mr. Rowley presented a verbal and visual report on the First Quarter Risk Management plan. Additional comments were made by Mr. Arnhold and Mr. Hannegan. [10:25]

b. Uncollectable Debt Write-off. Mr. Schiller, presented the list of accounts that are uncollected and that should be declared as uncollectable, totaling \$ 21,557.61 (July 1 through December 31, 2018). The list had been presented to the Board prior to the meeting. Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that the attached list of accounts receivable prepared by Mr. Alderson, totaling \$ 21,557.61, was declared uncollectable and the accounts should be written off of the financial records of Holy Cross.

A short break was taken. [10:30-10:43] Manuel Gomez entered the Board room.

c. Power Supply Contracting Update. Mr. Beuning updated the Board of Directors with an overview of the forecasted cost, renewable and carbon results to be achieved with our current bulk wind/solar contracting efforts. Written materials had been delivered to the Board prior to the meeting. Mr. Beuning and Mr. Hannegan responded to questions from Board members. Further discussion will occur in the Strategic Issues Committee. After the discussion among the Board members, upon motion duly made, seconded, put to a vote and carried unanimously, the following resolution was adopted:

RESOLVED, that the Board of Directors authorizes the President and CEO to sign the Arriba wind PPA upon completion of the remaining contractual and delivery coordination details; further, the Board affirms its authorization to proceed with the Hunter solar power purchase agreement; both subject to conclusion of negotiations on terms and conditions substantially similar to those presented in the staff presentation. Mr. Arnhold left the Board room. [11:16]

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. After discussion, upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was passed:

RESOLVED, that the current year budget be amended to include up to \$113,500 for

broadband related planning. Mr. Gomez left the Board room. [11:35]

e. Fire Risk Mitigation Strategy. Mr. Bleakley provided a verbal and visual update to the Board of Directors on current and planned activities intended to reduce the risk of wildfire ignition from our distribution system, and to improve the resilience of our distribution system to impacts from potential wildfires.

Current HCE efforts include the following:

• Vegetation management	• Investigation of all temporary faults on main feeders
• Regular system inspection, including use of IR cameras	• Automatic Vehicle Location (AVL) to improve response time
• Pole testing	• Fire protection system settings that reduce the likelihood of fuses blowing
• Substation testing	• SCADA control switching points
• Monthly/Annual substation inspections	• Gilman transmission line
• Smart devices	• Carbondale transmission line
• Smart meters	

The briefing focused on the opportunity to reduce wildfire risk in areas of high fire hazard. In addition to the above items, which have been utilized by HCE for several years as a normal course of business, staff have identified several additional options that may further mitigate the risk associated with wildfires and/or reduce the risk of our system starting a wildfire:

- Protective wrapping for critical transmission line structures
- Additional vegetation management
- Arc sensing technology
- New products (trip savers and non-expulsion fuses)
- Additional SCADA controlled smart devices [12:10]

Agenda Item 8: Lunch with Dispatch.

A break for lunch was taken. [12:10 – 13:15]

e. Fire Risk Mitigation Strategy. [continued] Mr. Bleakley concluded his presentation. During the presentation Mr. Whelan, Supervisor, Portfolio Planning and Rates, entered the Board room. After discussion, upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was passed:

RESOLVED, that the Board of Directors authorizes a \$2,000,000 increase in capital spending during calendar year 2019 for the purposes of wildfire risk reduction and mitigation, in accordance with the items described in the staff memo and presentation. [13:39]

Agenda Item 9: New Business.

a. Amendments to Electric Service Tariffs, Rules and Regulations. Mr. Hannegan and Mr. Schiller and Mr. Beuning presented the amended electric service tariffs, rules and regulations to the Board for adoption. Discussion about further modifications to the proposed TRRs ensued. During the discussion Mr. Bleakley, Mr. Rowley, and Mr. Farmer left the Board room. After lengthy discussion, upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that the changes to the Tariffs, Rules and Regulations of Holy Cross as presented to the Board with the changes given to staff by the Board by consensus, and including the new provisions named Distribution Flexibility—Optional Pilot, Distributed

Energy Resource Service Agreement—Optional, and Peak Time Rebate—Optional Pilot be approved as presented effective on July 1, 2019, and staff is directed to publish the changes as provided by law. [15:02]

Agenda Item 10: Executive Session. None. [15:02] A short discussion about communications from the public to board members. Per the Corporation Policy, such communications should be referred to the President and CFO for a response rather than the Board member responding.

Agenda Item 11: Continuation of Board Meeting. Chair Gilman recessed the meeting at 15:53 p.m. until the regular Board Meeting on **May 15, 2019**. The next meeting will be held at Holy Cross's office at the main 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:

- 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 Legislative Conference April 28-30, 2019, in Washington, D.C.
- CoBank Energy Conference July 10 to July 12, 2018 in Colorado Springs.
- 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.