

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

JANUARY 15, 2020

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 January 15, 2020, at 9:05 a.m.

Agenda Item 1: Roll Call. Vice Chair David C. Munk reported that six the seven Directors were present in person being Robert H. Gardner, Kristen N. Bertuglia, Larissa Read, Adam L. Palmer, David C. Munk and Clemons M. Kopf; and Megan M. Gilman was absent and will later appear on the telephone. Staff attending included Bryan J. Hannegan, President and Chief Executive Officer; David Bleakley, Vice President – Engineering; Bob Farmer, Vice President - Information Technology; Cody O’Neil, Vice President – Glenwood District Operations; Rick Arnhold, Vice President – Eagle / Vail District Operations; Drew Schiller, Vice President – Finance; John Rowley, Vice President - Human Resources; Steve Beuning – Vice President Power Supply and Programs and Jenna Weatherred, Vice President—Member and Community Relations. General Legal Counsel Randolph W. Starr was present. Also present were Patrick Tvarkunas and Greta Geary.

Agenda Item 2: Adjourn Previous Board Meeting. Vice Chair Munk adjourned the meeting of the Board of Directors originally convened on December 18, 2019, and then continued to today’s meeting.

Agenda Item 3: Public Comment. Vice Chair Munk asked for comments of members of the public present. Greta Geary made short comments about broadband. [09:06]

Agenda Item 5: Employee Recognition. Jill Kerrigan, Member Services Supervisor in Avon is celebrating 20 years of service. The employee was recognized for her service to Holy Cross. [09:16]

Agenda Item 4: Consent Calendar. The following informational items were presented to the Board in the form of written reports and memoranda:

- a. Minutes of December 18, 2019 Regular Meeting
- b. Treasurer’s Report
- c. Safety 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. At the commencement of this item Director Gilman joined the meeting on the telephone. 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. [09:33]

Agenda Item 6: Old Business.

b. Amendments to Corporate Policy 4.6—Voting and Elections. President and CEO Hannegan and Director Gardner made a presentation about the proposed changes to the Voting and Elections policy. Questions were posed by board members and responses to the questions were given by staff and legal counsel. [10:10]

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

RESOLVED that the proposed changes to Corporate Policy 4.6 be adopted as amended, with changes as recorded at the meeting that are attached to the minutes of the meeting. The policy changes shall be effective immediately and will be published on the association's website. [10:19]

a. Amendment to HCE Bylaws—Director Elections. President and CEO Hannegan and Director Gardner presented proposed changes to the bylaws of the association that were, in part, necessitated by changes in the statutes applicable to the association and other changes brought forward to address the process for replacement of a director who has resigned. Discussion ensued about the proposed changes. Changes required by statute had been reviewed by staff and by the Board's Governance Committee and legal counsel. After discussion, upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that the proposed changes to the bylaws be adopted as presented excluding the proposed changes to Section 11 of Article IV regarding director vacancy. The bylaw changes shall be effective immediately and will be published on the association's website. [10:31]

A short break was taken. [10:31-10:45]

c. Annual Safety and Loss Report. Vice President Rowley gave a verbal presentation about the Report. The written version of the report had been distributed prior to the Board Meeting. Mr. Rowley responded to questions from members of the Board. [10:50]

d. Wage and Compensation Adjustment.

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 employee compensation 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 the staff members remained in the Board room. Guests left the Board room.

Vice President Rowley gave a verbal presentation about the report that had been prepared by Tammeron Trujillo, Director of Human Resource Services at the Employer's Council including the Consumer Price Index (CPI; inflation), employment cost, and salary information and projections based on national, state and industry data. The written report had been submitted to the Board prior to the meeting. Vice President Rowley made additional comments. Mr. Rowley responded to questions from members of the Board.

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

RESOLVED that the Board exit executive session. The guests reentered the Board room.

After the presentation and discussion among the Board, upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

RESOLVED that the wage range for all Holy Cross Energy positions be increased by 3.25%, effective March 1, 2020.

FURTHER RESOLVED, that all other compensation and benefit programs will remain unchanged for 2020. [11:11]

Agenda Item 7: New Business.

a. 2020 Legislative Strategy. Mr. Jeff Wiest and Laura Long of Wiest Capitol Group entered the Board room. Mr. Wiest and Ms. Long made a presentation about the legislative strategy for the association for 2020; and President and CEO Hannegan made additional comments. Discussion among the board members ensued. [12:15] At the conclusion of the presentation Mr. Wiest and Ms. Long left the Board room.

Agenda Item 8: Lunch and Powerfield Project Dedication. A lunch break was taken. At the conclusion of the luncheon, the dedication of the Powerfield solar generation project on the association's headquarters site occurred. [12:15 to 13:31]

Agenda Item 7 (continued) b. Network Strategy and Broadband Options. Vice President Farmer made a verbal and written presentation about the strategy for the association in its broadband initiative. Eagle County's Mr. Scott Lingle, Conexon's Mr. Randy Klindt and Conexon's Mr. Jonathan Chambers entered the Board room, and Ladd Epp also entered the Board room at the commencement of the presentation. Discussion about the plans and options among the board members ensued. 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 proprietary broadband cost matters. All staff members remained in the Board room. [14:30] All guests except Mr. Klindt and Mr. Chambers 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. [16:12] Mr. Klindt and Mr. Chambers left the Board room. Mr. Lingle entered the Board room.

Further discussion among the Board members and staff members ensued.

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 legal advice matters. All staff members remained in the Board room. Mr. Lingle left the Board room. [16:33]

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. [16:39] Mr. Lingle entered the Board room.

A motion was made to adopt the following resolution, and the motion was seconded. Further discussion among the Board members ensued. A motion was made and seconded to amend the second phrase of the resolution to change the wording to state that “explore” will substitute for “evaluate and develop” and to change “shall” to “may”. The motion to amend was adopted unanimously. A vote was taken on the motion, as amended, and it was unanimously adopted:

RESOLVED, that Holy Cross shall use the \$2.5 million allocated in 2020 to begin year 1 of the 5-year network strategic plan to improve broadband for internal uses.

RESOLVED, that Holy Cross shall explore an approach which may make excess strands of deployed fiber-optic cable available to community partners and service providers to improve broadband for Holy Cross members.

RESOLVED, that Holy Cross shall continue to explore delivering broadband service to all members by investigating alternative funding sources, investment and deployment models, and partnership opportunities for to be presented later for further Board discussion and action. [16:58]

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 board of directors’ matters. All staff members including the President and CEO left the Board room. [17:00]

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. [17:28]

Agenda Item 10: Continuation of Board Meeting. Vice Chair Munk recessed the meeting at 17:28 p.m. until **February 19, 2020 at 9:00 a.m.** The next meeting will be held at Holy Cross’ Cooley Mesa office at 0132 Buckhorn Valley Boulevard, Eagle County, Gypsum, CO.



Secretary – Robert H. Gardner

APPROVED:



Vice Chair – David C. Munk

The Holy Cross Energy Board Meeting schedule for 2020:

- February 19, 2020—Cooley Mesa Office
- March 11, 2020—Glenwood Springs Office [*Note this meeting date is changed from normal schedule*]
- April 14, 2020—Glenwood Springs Office [*Note this meeting date is changed from normal schedule*]
- May 13, 2020—Cooley Mesa Office [*Note this meeting date is changed from normal schedule*]
- Holy Cross Annual Member meeting June 3 at Spring Creeks Ranch, 854 North 8th Street, Carbondale, CO
- June 17, 2020—Glenwood Springs Office
- July 15, 2020—Glenwood Springs Office
- August 19, 2020 (strategic planning)—TBD
- September 16, 2020—Glenwood Springs Office
- October 21, 2020—Glenwood Springs Office
- November 18, 2020—Cooley Mesa Office
- December 16, 2020—Glenwood Springs Office

Upcoming Meetings of Associated Organizations:

- CREA Annual Meeting February 8 to February 11 in Denver.
- NRECA Annual Meeting February 27-March 1, 2020, in New Orleans
- NRECA Director Conference April 3-7, 2020, in Kansas City
- NRECA Legislative Conference April 26-28, 2020, in Washington, D.C.
- NRUCFC Forum June 15-17, 2020, in Salt Lake City
- CoBank Energy Directors Conference July 13-15, 2020, in Colorado Springs
- NRECA Region VII/IX September 29-October 1, 2020, in Omaha
- CREA Fall Member Meeting October 10-13, 2020, in Denver