

# MINUTES OF REGULAR BOARD MEETING OF HOLY CROSS ENERGY

NOVEMBER 18, 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 November 18, 2020 at 9:04 a.m. The meeting was held in webcast format with all Board members and staff appearing by electronic medium hosted through Holy Cross’s main office. The meeting was held during a time that the President of the United States and the Governor of the State of Colorado have declared a State of Emergency and ordered that no large groups of people meet in person due to the spread of COVID-19 virus. Notice of the meeting was given in accordance with Colorado law and the bylaws of Holy Cross. Each Board member and each staff member participated in the meeting in accordance with Section 5.6 of the bylaws.

Agenda Item 1: Roll Call. Chair David C. Munk called the meeting to order and reported that all the seven Directors were present being Robert H. Gardner, Kristen N. Bertuglia, David C. Munk, Adam Quinton, Adam L. Palmer, David S. Campbell, and Alexander DeGolia. Staff attending included Bryan J. Hannegan, President and Chief Executive Officer; Steve Beuning, Vice President – Power Supply and Programs; 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; Andrew Schiller, Vice President – Finance; John Rowley, Vice President - Human Resources; ~~and Jenna Weatherred, Vice President—Member and Community Relations~~. On the webcast were Betsey Seymour, Manuel J. Gomez, IT Infrastructure Manager, and General Legal Counsel Randolph W. Starr with Cal Bullington and Jena Thompson.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Munk adjourned the meeting of the Board of Directors originally convened on October 21, 2020, and then continued to today’s meeting. [09:04]

Agenda Item 3: COVID-19 Update and Impact Assessment. President and CEO Hannegan gave an update about the effects of the declaration of a state of emergency and the other government orders regarding COVID-19 have affected Holy Cross’s operations. Questions from Board members were answered by Mr. Hannegan and staff members. [09:23]

Agenda Item 4: Public Comment. Chair Munk asked for comments of members of the public present. No comments were received, and no members of the public were on the call. [09:23]

Agenda Item 5: Employee Recognition. Cal Bullington, Journey Lineworker in our Eagle/Vail District, is celebrating 5 years of service. Jena Thompson, Power Supply and Program Coordinator in our Glenwood Springs Headquarters, is celebrating 5 years of service. [09:34]

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 October 21, 2020 Regular Meeting
- b. Treasurer's Report
- c. Safety Committee Minutes
- d. Power Supply Report
- e. Legislative and Regulatory Report
- f. Attorney's Report
- g. Staff Reports
- h. Board Committee Reports
  - a. Communications
  - b. Finance
  - c. Governance
  - d. Strategic Issues
- i. 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. [09:45]

Agenda Item 7: Old Business.

a. Uncollectable Debt Write-Off. Vice President Schiller presented the list of accounts that are uncollected and that should be declared as uncollectable, totaling \$ 31,260.76 (July 1 through October 31, 2020). 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 totaling \$31,260.76, was declared uncollectable and be written off the financial records of HCE. [09:52]

b. Bank Account Authorizations. Vice President Schiller 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 November 18, 2020 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 that Memorandum. [09:54]

c. Audit Engagement Letter. Vice President Schiller gave a presentation about the selection of an auditor for Holy Cross for fiscal years 2020 and 2021, and current activities. After discussion by the Board, upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:

**RESOLVED**, that the Chair of the Finance Committee and the Vice President, Finance be authorized to sign the engagement letter with BKD for 2020 audit year services. [09:55]

d. Annual Meeting Date and Location. A verbal and visual presentation was made about the staff's choice of a date and a venue by Ms. Weatherred [joined by telephone]. Questions were posed by board members and responses to the questions were given by staff. Upon motion duly made, seconded, put to a vote and unanimously carried,

**RESOLVED**, that the 2021 Annual Meeting of the Members be held at Spring Creeks Ranch on June 10, 2021. If a physical meeting is not possible, a virtual meeting should be held on the same date similar to the 2020 meeting. [10:00]

Agenda Item 8: New Business.

- a. Amendments to Corporate Policies.
  - i. Corporate Policy 4.5—Director Compensation and Expenses.
  - ii. Corporate Policy 5.2—Financial Planning and Management.

A presentation was made by Director Gardner and Mr. Hannegan about the changes to Corporate Policies 4.5 and 5.2. A “blackline” version of the changes to the Policies had been prepared by the Governance Committee with staff input and presented to the Board prior to the meeting. Messrs. Gardner and Hannegan answered questions during discussion by the Board.

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

**RESOLVED**, that the proposed amendments to Corporate Policy 4.5 be adopted, as presented to the Board with an amendment to state “...four hours or less” in section 2.2.2; and **FURTHER RESOLVED**, that the proposed new Corporate Policy 5.2 be adopted. [10:07]

- b. Long-Term Financial Forecast. Vice President Schiller made a visual and verbal presentation to provide the Board with a long-term projection of HCE’s financial trajectory, and to seek Board feedback on certain key questions related to financial management. Questions by board members were answered by Mr. Schiller with input from Mr. Hannegan.

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

**RESOLVED**, that the Association grant an additional day of vacation on December 24, 2020 in recognition of the employees’ contribution above normal operations due to the global pandemic. [11:02]

A break was taken. [11:02 - 11:16]

- c. 2021 Work Plan Initiatives. Members of the senior staff made a verbal presentation on the 2021 Work Plan Initiatives. The written segments of the sixteen separate 2021 Work Plan Initiatives had been distributed prior to the Board Meeting. Staff sought Board review and comment on the proposed 2021 work plan initiatives and their alignment with the HCE Strategic Plan. Questions from Board members were asked, and senior staff answered the questions. A break for lunch was taken during the presentations by staff. [12:31 - 12:45] Director Palmer left the meeting at approximately 14:00 hours. A break was taken during the presentations by staff. [14:54 - 15:00] Ending at 15:12.
- d. Member Bill Payment Assistance Program. Ms. Weatherred discussed the prior conversation in the meeting concerning a recommendation for an increase in the Member Bill Payment Assistance program limits. Ms. Weatherred responded to questions from Board members. Upon motion duly made, seconded, put to a vote and unanimously carried, the following resolution was adopted:  
**RESOLVED**, that the Member Bill Payment Assistance program be extended to June 30, 2021, and that limits for members be increased to \$1,000 in aggregate for members taking service under any Residential tariff, and to \$2,000 in aggregate for members taking service under the General Services - Small tariff. [15:15]

Agenda Item 9: Executive Session. None.

Agenda Item 10: Adjourn Board Meeting. Chair Munk continued the meeting at 15:15 p.m. until **December 16, 2020 at 9:00 a.m.** The next meeting will be held at Holy Cross' main office at 3799 Highway 82 in Garfield County, Glenwood Springs, CO. Depending on the status of the COVID-19 pandemic, the meeting will again be conducted electronically.

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Secretary – Kristen N. Bertuglia

APPROVED:

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Chair – David C. Munk

The Holy Cross Energy Board Meeting schedule for 2020:

- December 16, 2020—virtual

Upcoming Meetings of Associated Organizations:

All meetings are online

Tentative upcoming Holy Cross Energy Board Meeting Schedule for 2021:

January 20, 2021

February 17, 2021

March 17, 2021—[Note: Spring Break for Randy]

April 21, 2021—Conflicts with NRECA Legislative Conference-4/18-21

May 19, 2021

The Annual Meeting of the Members will be held on June 10, 2021 at 4:00 p.m. at Spring Creeks Ranch in Carbondale.

June 16, 2021

July 21, 2021

August 18, 2021 (strategic planning)

September 15, 2021

October 20, 2021

November 17, 2021

December 15, 2021