

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

OCTOBER 18, 2023

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 Cooley Mesa office at 0132 Buckhorn Valley Boulevard in Eagle County, Gypsum, CO, on October 18, 2023, at 9:03 a.m. The meeting was held in person and on WebEx with Board members and staff appearing in person. Notice of the meeting was given in accordance with Colorado law and the bylaws of Holy Cross.

Agenda Item 1: Roll Call. Chair David C. Munk called the meeting to order and reported that all seven Directors were present, Robert H. Gardner, Kristen N. Bertuglia, David C. Munk, Adam Quinton, Keith E. Klesner, Alexander DeGolia, and Linn Brooks. Staff attending included Bryan J. Hannegan, President and Chief Executive Officer; David Bleakley, Vice President – Engineering; Cody O’Neil, Vice President—Operations; Sam Whelan, Vice President—Finance; Jenna Weatherred, Vice President—Member and Community Relations [on WebEx]; Trina Zagar-Brown, Vice President—Business Services. Also attending was General Legal Counsel Randolph W. Starr, Jonathan Perez [in person and web], and Betsey Seymour [in person and web]. Others present in person were employees Ginette Puidokas, Jon Caughlin, Rusty Webb, Russ Winder, Eric Heil; and no others were on the web meeting.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Munk adjourned the meeting of the Board of Directors originally convened on September 20, 2023, and then continued to today’s meeting. [09:03]

Agenda Item 3: Public Comment. Chair Munk asked for comments from members of the public present. No members of the public were present in person or on the web. [09:03]

Agenda Item 4: Employee Recognition.

August Service Recognition:

Jon Caughlin, Project Administrator in Glenwood Springs, is celebrating 10 years of service.

Chris Pitman, Crew Foreman - District, is celebrating 10 years of service.

Cody Sloan, Tools and Small Engine Technician in Glenwood Springs, is celebrating 5 years of service.

Rusty Webb, GIS Administrator, is celebrating 5 years of service.

Ginette Puidokas, Key Accounts Specialist in Glenwood Springs, is celebrating 10 years of service.

Recent New Hires, Promotions and Departures:

Elizabeth Malloy joined us on September 11, 2023, as the Payroll Administrator in Glenwood Springs.

Jennifer Broderick has been promoted to Telecommunications Administrator in Glenwood Springs. Jennifer previously held the Network Support Specialist II position. Her promotion took effect October 1, 2023.

Casey Gray, Apprentice Lineworker, departed from Holy Cross on October 5, 2023.

[09:16]

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 September 20, 2023, Regular Meeting
- b. Treasurer's Report
- c. Safety Committee Minutes
- d. Diversity, Equity, and Inclusion Committee Minutes
- e. Power Supply Report
- f. System Reliability Report
- g. Community Energy Systems Report
- h. Member Participation Report
- i. Legislative and Regulatory Report
- j. Attorney's Report
- k. Board Committee Reports
 - i. Communications
 - ii. Finance
 - iii. Governance
 - iv. Strategic Issues
- k. Directors' Reports
 - i. Western United Electric Supply Corporation
 - ii. Colorado Rural Electric Association
 - iii. National Rural Electric Cooperative Association
 - iv. National Rural Utilities Cooperative Finance Corporation
 - v. Federated Rural Electric Insurance Exchange

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. [10:39]

Agenda Item 6: Staff Reports. The Staff Reports were delivered to the Board members prior to the meeting. Questions from Board members were answered by staff members. [10:51] A break was taken. [10:51-11:04]

Agenda Item 7: Old Business.

- a. None. [11:04]

Agenda Item 8: New Business.

- a. Draft 2024 Capital Budget. Vice President Whelan provided provide a high-level overview. The existing 2024 capital plans incorporate either known estimates on budget items or a 15-20% inflationary adjustment for 2024 to incorporate expected inflation due to continued supply chain impacts on our business. The 2024 capital summary is below, compared to the 2022 and 2023 capital budgets.

Presentations and a detailed breakdown of the long-range Construction Engineering and IT capital workplans were provided to the Board members to review prior to the meeting. While Holy Cross's other capital workplans do include long-term planning, Staff's focus is on the higher-budgeted areas of Construction Engineering and IT.

	2022 Budget	2023 Budget	2024 Budget
Subtotal Generation	\$954,790	\$1,711,543	\$3,727,323
Subtotal Distribution	\$10,380,020	\$15,240,000	\$17,940,000
Subtotal Substation and Transmission	\$1,970,004	\$3,138,000	\$6,180,000
Subtotal Information Technology	\$4,816,509	\$2,788,440	\$6,654,065
Subtotal General Plant	\$1,504,000	\$3,453,000	\$2,727,500
Subtotal Power Supply	\$7,980,000	\$8,556,383	\$6,610,000
Subtotal Special Projects	\$575,000	\$985,000	\$553,000
Grand Total	\$28,180,323	\$35,872,366	\$44,391,888
Less Carryover	\$21,220,322	\$28,172,366	\$34,572,888
Less TIE	\$19,250,318	\$25,034,366	\$28,392,888
Less RESP	\$16,250,318	\$19,034,366	\$25,982,888

Questions posed by Board members were answered by Mr. Whelan with input from Mr. Hannegan, Mr. Bleakley, Mr. O’Neil, Ms. Zagar Brown, Mr. Heil, and Mr. Winder. [12:32] A break was taken. [12:32-13:02]

Agenda Item 10: 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 personnel matters and potential litigation. All staff members remained in the Board room except Mr. Heil and Mr. Winder who left the 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. [14:11]

Agenda Item 9: Strategic Issues. President and CEO Hannegan made opening comments before continuing with the Board’s discussion regarding certain strategic issues of importance. Given the Board’s desire to move Committee items into the full Board agenda, this month there is time allocated to discuss three specific items that have been referred previously to the Strategic Issues Committee:

- a. *Environmental KPIs* – the Board was invited to consider whether the current “Environmental” Key Performance Indicators (KPIs) are appropriate, and if not, what if any indicators should take their place.
- b. *Renewable Energy Subscription Program for Building Owners* – the Board was invited to consider whether the existing “PuRE” program is suitable for those building owners seeking to comply with forthcoming State building performance standards and/or the new Federal definition of “zero-emission buildings” (see related Washington Post article provided to the Board). If the “PuRE” program is not sufficient, then the Board was invited to advise on what next steps may be taken to address member needs.
- c. *Role in Clean Heat / Hydrogen* – this topic was last discussed by the Strategic Issues Committee in August 2023. Further discussion by the Board ensued about steps Holy Cross should take

with respect to electrification of space heating and snowmelt. The slide presentation from the Committee’s August 2023 meeting was provided to the Board prior to the meeting. Questions posed by Board members were answered by Mr. Hannegan. No action was taken. [15:27]

Agenda Item 11: Items for Future Agendas. Lengthy discussion about the items on the list ensued. [15:36]

Agenda Item 12: Continuation of Board Meeting. Chair Munk continued the meeting until **Wednesday, November 15, 2023, at 9:00 a.m.** The next meeting will be held by WebEx through Holy Cross’ main office at 3799 Highway 82 in Garfield County, Glenwood Springs, CO. [15:36]

✍ _____
Secretary – Alexander DeGolia

APPROVED:

✍ _____
Chair – David C. Munk

2023 Holy Cross REA Board Meeting Schedule [Third Wednesday of each month]
November 15, 2023—WebEx
December 20, 2023—in person—Glenwood

2024 Holy Cross REA Board Meeting Schedule [Third Wednesday of each month]
January 17, 2024—WebEx
February 21, 2024—in person at Cooley Mesa
March 20, 2024—WebEx
April 17, 2024—WebEx
May 15, 2024—WebEx The Annual Meeting of Members will be held on June ??, 2024, at ???
June 19, 2024—in person
July 17, 2024—WebEx
August 21, 2024 (strategic planning)—in person
September 18, 2024—WebEx
October 16, 2024—WebEx
November 20, 2024—WebEx
December 18, 2024—in person at Glenwood