**MINUTES OF REGULAR BOARD MEETING**

**OF**

 **HOLY CROSS ENERGY**

**FEBRUARY 19, 2025**

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 February 19, 2025, at 9:00 a.m. The meeting was also held on Webex. 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 all seven Directors were present in person, 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; Cody O’Neil, Vice President—Operations; Sam Whelan, Vice President—Finance; Jenna Weatherred, Vice President—Member and Community Relations; and Trina Zagar-Brown, Vice President—Business Services. Also attending was General Legal Counsel Karl F. Kumli, III, Jonathan Rosales Perez and Betsey Seymour.

Agenda Item 2: Adjourn Previous Board Meeting. Chair Munk adjourned the meeting of the Board of Directors originally convened on January 15, 2025, and then continued to today’s meeting.

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.

Agenda Item 4: Employee Recognition.

Recent New Hires, Promotions and Departures:

Evan Pletcher joined us on January 20, 2025, as an Engineer I.

Nick Puglisi joined us on January 20, 2025, as an Engineer I.

Brady Litts joined us on January 27, 2025, as an Apprentice Lineworker I in Vail.

Aaron Anderson, Journey Lineworker, departed Holy Cross. His last day was February 6, 2025. We wish him the best.

Board Director Recognition:

Adam Quinton completed his NRECA Board Leadership Certificate.

Bob Gardner renewed his NRECA Director Gold certification.

Dave Munk renewed his NRECA Director Gold certification.

 Agenda Item 5: Site Visit – Dotsero Pole Replacement Project

Site visit was postponed due to weather and reschedule of the job.

Agenda Item 6: Consent Calendar. The following informational items were presented to the Board in the form of written reports and memoranda:

* 1. Minutes of January 15, 2025 Regular Meeting
	2. Treasurer’s Report
	3. Safety Committee Minutes
	4. Cyber and Physical Security Committee Minutes
	5. Diversity, Equity, and Inclusion Committee Minutes
	6. Power Supply and Programs Report
	7. System Reliability Report
	8. Community Energy Systems Report
	9. Member Participation Report
	10. Legislative and Regulatory Report
	11. Attorney’s Report
	12. Board Committee Reports
	13. Directors’ Reports

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 approval of the minutes from the January 15, 2025 be postponed; and

**FURTHER RESOLVED**, that the remaining items on the Consent Calendar be approved as presented.

Mr. Hannegan introduced Mark Detsky from Dietz and Davis, P.C. Directors introduced themselves and asked questions of Mr. Detsky.

Agenda Item 7: Staff Reports. Staff Reports were delivered to Directors prior to the meeting. Questions from Board members were answered by staff.

Mr. Detsky left the meeting.

A break was taken. During the break, HCE employees Theresa Comerer, Michael Whiddon, and Todd Foral entered the meeting.

Agenda Item 10: New Business.

1. Amendment to Tariffs, Rules and Regulations – Line Extensions. Ms. Comerer, HCE’s Contracts Administrator, presented to the Board a request to post for comment amendment to Holy Cross Energy’s electric service tariffs, rules, and regulations regarding its Line Extension Policy. The proposed changes to the Line extension Policy are primarily intended to remove the separate treatment of underground and overhead line extensions and eliminate the distinction between Deposit and Contribution amounts in construction estimates and in final accounting.

A line extension is the extension of electric facilities to a member or developer’s property, subdivision, or commercial building within our service territory. Section 3030 of the Holy Cross Energy (HCE) Tariffs, Rules and Regulations comprises our Line Extension Policy and is 10 pages long. This policy has not been significantly updated in 40+ years.

Deposit and Contribution

New construction costs are divided into two categories: Construction Deposit (refundable) and Contribution in Aid of Construction (non-refundable). The Deposit includes all power facilities that are needed for overhead construction, such as transformers, conductors, poles, and wire. Contribution, in this case, pertains to underground line extensions and includes materials (vaults and conduit) and related costs only needed for underground construction.

Originally, building underground was considered an exception to the norm and Contribution in was applied with this in mind.

For the refundable Deposit, HCE currently pays the applicant 20% of the electric revenues generated from the line extension in the form of a refund check, annually over a 10-year period. This amount is capped at 1/10th of the Deposit amount (Deposit divided by 10 = Max Annual Refund). The design of these refunds is intended to fairly compensate members who generate sufficient revenue to cover the costs of their line extension.

Proposed Changes

Remove the requirement that all new underground construction costs include Contribution (non-refundable) so that all construction fees paid are eligible for refund during the 10-year agreement period.

Benefits

This simple but impactful amendment to our tariffs is largely a philosophy change. This change will result in minor increases to refunds (average of $60,000 per year), but refunds will still be limited to the revenue received from the member, ensuring there are no cost shifts to other members. Overhead and underground line extensions are now regarded similarly; undergrounding is no longer a vilified, unconventional method. This change will also allow the use of iVue (current software) for estimating and will save Accounting and Engineering a lot of time in administrative work and project support work.

Other minor administrative tariff updates are included in the drafted redlines as follows:

1. Change Line Extension refund due date to accommodate a rolling 12-month process
2. Wording clarifications on DER Service Agreement and Peak Time Payback
3. Adjust generator nameplate capacity from 12 - 100 kW to 0 - 100 kW for $100 interconnection application charge to be applicable
4. Allow payment arrangements on Prepaid Metering
5. If Auto-Pay is chosen to waive a deposit, ACH will be the required form of payment

After the presentation, staff responded to questions from Board members. Upon motion duly made, seconded, put to a vote and unanimously carried, it was:

**RESOLVED**, that the proposed changes to the Tariffs, Rules and Regulations of Holy Cross as presented to the Board be noticed for public comment.

1. Board of Directors Meeting Dates. President and CEO Hannegan asked the Board to consider changes in the dates for certain Regular Meetings of the Board during 2025. At its January 2025 meeting, the Board of Directors discussed the potential for changing the date of the April meeting to allow the CEO to participate in the NRECA Strategic Technology Advisory Council meeting schedule for that same week. Following a review of available dates, it was determined that the most Directors were available to participate in a meeting on Tuesday, April 22nd. The meeting will be held virtually, as previously scheduled.

After discussion among the Board members and questions from Board members were answered, a motion was made, seconded, and unanimously carried that it was

**RESOLVED**, that the Regular Meeting of the Holy Cross Energy Board of Directors currently scheduled for April 16, 2025, be moved to April 22, 2025.

1. Year-End Financial Review. Vice President Whelan informed the Board of the 2023 year-end financial results and sought approval for the carry forward of excess margin into future year budgets. Written materials were given to the Board prior to the meeting. After the presentation and after Mr. Whelan responded to questions from Board members, a motion was made, seconded, and unanimously carried that it was:

**RESOLVED**, that the proposed deferral of an additional $2,382,740 in 2024 revenue be approved.

A break for lunch was taken. During the break, Mr. Whiddon, Mr. Foral and Ms. Comerer left the meeting.

Ryan Gordon and Matt Langhorst, with the City of Glenwood Springs, and HCE employees Charlotte Crawford and Jack Warkenton entered the meeting.

Agenda Item 8: Presentation by City of Glenwood Springs – South Bridge

Ryan Gordon, Glenwood Springs City Engineer, provided a high-level summary of the South Bridge Project. The South Bridge Project will add a new bridge across the Roaring Fork River, providing vital access between State Highway 82 (SH82) and the western side of the Roaring Fork River in south Glenwood Springs. This new route will create a viable alternate route for improving emergency evacuation, emergency service access, and local transportation access.

The idea for the South Bridge Project originated following the Coal Seam Fire in 2022 that burned 29 homes and nearly 12,000 acres in West Glenwood, after which the need for an additional evacuation route during a disaster was determined. An initial Environmental Assessment (EA) was reviewed and signed by the Colorado Department of Transportation (CDOT) and the Federal Highway Administration (FHWA) in 2013, but a lack of available funding and a need for design changes has delayed the project to the present time.

As shown on the map, provided to the Director prior to the meeting, a portion of the South Bridge Project is expected to encroach on Holy Cross Energy owned property on the south side of our Glenwood Springs campus. The project includes closure of the current entrance to HCE from Highway 82 and replacement with access from the South Bridge itself, and HCE representatives have been working with the City during the design phase to address HCE’s need for a functional entrance and exit.

Agenda Item 9: Old Business.

1. NRECA Member Resolutions. NRECA’s Member Resolutions are created and refined during an annual cycle that gives members on opportunity to participate at every step. Any member cooperative can pass a resolution or amend an existing resolution and submit it to NRECA for consideration during the Spring of each calendar year. An NRECA Resolutions Committee reviews proposed resolutions and compiles them for consideration at Regional Meetings in the Fall of each year. Resolutions that are approved by one or more NRECA Regions are forwarded to the Annual Meeting for consideration by the entire membership.

and staff time and resources.

This year’s NRECA Annual Meeting will be held in Atlanta, GA on Tuesday, March 11. Chair Dave Munk will serve as HCE’s coting delegate. In order for a voting delegate to speak for /against a Resolution or to offer an Amendment, the delegate’s Board must have taken a position on the resolution through a formal Board action of its own. At its February 2024 meeting, the Board adopted or reaffirmed previously adopted positions on certain Resolutions as follows:

* Support for Efforts to Address Poverty in Cooperative Communities (3.19) – SUPPORT
* Support of Demand Response Programs (3.28) – SUPPORT
* Support of the Keystone XL Pipeline (3.60) – OPPOSE
* Support for a Reasonable Transition of the Electric Utility Industry (3.62) – AMEND (remove the first sentence of the second paragraph)
* Support of Renewable and Environmentally Favorable Energy – OPPOSE
* Support for Nuclear Power (3.65) – ABSTAIN
* Support for Public Utility Regulatory Policies Act Reform (3.66) – AMEND (change “repeal” to “reform” in the body of the resolution)
* Environmental Externalities (3.90) – OPPOSE
* Clean Water Act Regulatory Implementation (3.92) – ABSTAIN
* Endangered Species (3.96) – ABSTAIN

The issues identified by the Board in last year’s review remain present in this year’s Resolutions, now numbered as shown in the proposed 2025 Resolutions. These Resolutions are proposed to be adopted as part of a Consent Agenda intended to be adopted in a single motion without a recorded vote on a particular Resolution. To vote against or to abstain from a Resolution listed on the Consent Agenda, our HCE delegate will need to ask to have it considered separately during the Annual Meeting.

There are several new or substantially revised Resolutions on the following topics, which will be individually discussed at the upcoming Annual Meeting:

* Federal Land Use Management (2)
* Support for Adequate Replacement Generation Capacity (3)
* Support for Geothermal Energy Exploration (4 A-B; two versions)
* Support for the Keystone XL Pipeline (5; not HCE current position is to OPPOSE)
* Support for the Cooperation of Congress and Federal Agencies to Help Electric Cooperatives Reduce the Risk of Wildfires (6 A-B; two versions)
* Telecommunications and Technology Utilization (7 A-c; three versions)
* Support for Natural Gas-Fired Generation (8)
* Support for the Development of a Plan to Meet the Fuel and Infrastructure Requirements of the Existing and the New Natural Gas Fleet and Complying with Environmental Regulations (9)
* Support for the Rural Heritage and Values of Electric Cooperatives (10)

Lastly, NRECA is proposing numerous amendments to its Bylaws and Articles of Incorporation. Most of the amendments are clerical or conforming in nature, and all are intended to conform the governing documents with current Association practice. The materials for the upcoming NRECA Annual Business Meeting, including the proposed Resolutions and Bylaw Amendments, were provided separately in Call to Order for review and reference.

After discussion among the Board members, upon motion duly made, seconded and unanimously carried, it was

**RESOLVED**, that the Board adopts positions on the proposed NRECA Resolutions as follows:

* Support for Efforts to Address Poverty in Cooperative Communities (3.19) – SUPPORT
* Support of Demand Response Programs (3.28) – SUPPORT
* Support of the Keystone XL Pipeline (3.60) – OPPOSE
* Support for a Reasonable Transition of the Electric Utility Industry (3.62) – AMEND (remove the first sentence of the second paragraph)
* Support of Renewable and Environmentally Favorable Energy – OPPOSE
* Support for Nuclear Power (3.65) – ABSTAIN
* Support for Public Utility Regulatory Policies Act Reform (3.66) – AMEND (change “repeal” to “reform” in the body of the resolution)
* Environmental Externalities (3.90) – OPPOSE
* Clean Water Act Regulatory Implementation (3.92) – ABSTAIN
* Endangered Species (3.96) – ABSTAIN
* Federal Land Use Management (2) – SUPPORT
* Support for Adequate Replacement Generation Capacity (3) – SUPPORT
* Support for Geothermal Energy Exploration (4 A-B; two versions) – SUPPORT
* Support for the Keystone XL Pipeline (5) – OPPOSE
* Support for the Cooperation of Congress and Federal Agencies to Help Electric Cooperatives Reduce the Risk of Wildfires (6 A) – SUPPORT
* Telecommunications and Technology Utilization (7-A) – SUPPORT
* Support for Natural Gas-Fired Generation (8) – OPPOSE
* Support for the Development of a Plan to Meet the Fuel and Infrastructure Requirements of the Existing and the New Natural Gas Fleet and Complying with Environmental Regulations (9) – OPPOSE

Agenda Item 12: Items for Future Agendas. Discussion about the items on the list ensued. A new item related to Board Minutes Protocol was referred to the Governance Committee. A new item was requested for a discussion of potential member requests for capital credits refunds, and this item was referred to the Finance Committee.

Agenda Item 11: 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. All staff members left the meeting. Later, General Legal Counsel Kumli left the meeting. Later, Mr. Hannegan entered the meeting.

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. Direction was given to negotiators.

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

**RESOLVED** that the Board exit executive session.

Agenda Item 13: Continuation of Board Meeting. Chair Munk continued the meeting at 6:06 pm until **Wednesday, March 19, 2025, at 9:00 a.m**. The next meeting will be held by Webex.

 🖎

Secretary – Alexander DeGolia

APPROVED:

🖎

Chair – David C. Munk

|  |
| --- |
| **2025 Holy Cross Energy Board Meeting Schedule**[Third Wednesday of each month] |
| March 19, 2025 –-Webex |
| April 16, 2025—Webex  |
| May 21, 2025—Webex  |
| The Annual Meeting of Members will be held on June 5, 2025, at Buttermilk Mountain Lodge, Base of Buttermilk, 38700 CO-82, Aspen, CO 81611 |
| June 18, 2025—in person  |
| July 16, 2025—Webex  |
| August 20, 2025 (strategic planning)—in person TBD |
| September 17, 2025—Webex  |
| October 15, 2025—in person at Cooley Mesa  |
| November 19, 2025—Webex  |
| December 17, 2025—in person at Glenwood |