

MINUTE RECORD – BOARD OF DIRECTORS – GRAND VALLEY RURAL POWER LINES, INC.

Regular Meeting

September 15, 2021

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, September 15, 2021 at 845 22 Road, Grand Junction, Colorado. President Sandeen-Hall called the meeting to order at 9:00 a.m. Attendees recited The Pledge of Allegiance.

ROLL CALL:

Joe Burtard	present
Rod Martinez	present
Don McClaskey	present
Jesse Mease	present
Bill Rooks	present
Carolyn Sandeen-Hall	present
Sylvia Spangler	present
Janie VanWinkle	present
Brian Woods	present

Others present: Tom Walch, CEO; Derek Elder, Corporate & Member Services Manager; Gary Billiet, Purchasing and Warehouse Manager; Pat Kanda, Finance Manager; Sarah Wheeler, Accountant/Benefits Administrator; Bill Barlow, Operations Manager; Thomas Wright, Staff Engineer; Gregg Kampf, Attorney.

Rooks joined via virtual meeting platform.

MOTION: Motion by Martinez second by Woods to approve the minutes of the August 18, 2021 regular meeting; carried.

MOTION: Motion by McClaskey second by Mease to approve the agenda; carried.

I. Guests and Public Comments

None.

II. CEO's Report

Staff Reports

Member Services – Elder provided a summary of results garnered from a survey of members who attended the annual meeting. Elder shared that GVP employees are being asked to complete a confidential survey being conducted on GVP's behalf by the Great Co-ops Consortium. Elder noted that results from the survey will be used to measure key indicators reflecting employee views on safety, culture, and job satisfaction.

Benefits – Wheeler distributed NRECA beneficiary forms and asked directors to return the forms to her by the October board meeting. Wheeler reported that a consultant for the Line Construction Benefit Fund (LineCo), which provides group medical insurance for IBEW members, issued a request for information from GVP to confirm that contributions to the plan met requirements of the collective bargaining agreements. Wheeler shared that the final audit results reflected that GVP is in compliance. Wheeler reported that NRECA group insurance premiums for management staff members will increase by 7.5% and the LineCo insurance premiums for bargaining unit employees will increase by 3.5%. She

also noted that the defined benefit pension plan will see a slight increase in 2022.

Operations – Barlow highlighted improvements made with a GPS tracking application that will provide real-time location of operations personnel. This will be an important safety feature, as it will help personnel respond quickly in the event of an accident. It will also boost operational efficiency, reducing trouble call and outage response times. Barlow also commended staff and employees for extending GVP’s no-lost time accident mark to 962 days. Barlow noted that he will be providing an overview of GVP’s current equipment and automotive fleet. Planning for replacements will be more critical than ever, as the lead time for acquiring new trucks is 18 months or more.

Finance – Kanda provided a summary of the monthly financials. Kanda reported on the disconnects and write-offs and provided a summary of the 2021-2025 financial forecast.

CEO Close-up Conference – Walch provided a summary of the NRECA CEO Close-up conference held in August. Walch highlighted sessions from the conference such as the importance of upstream problem-solving, the impacts of disintermediation, and the importance of the “4 Cs” – choice, control, convenience and cost – to consumers. Walch noted the legal update at the conference was dominated by several Colorado cases and legislative mandates.

Power Supply – Walch reported that GVP has received intent to bid letters from several potential power suppliers, including Xcel Energy. Walch noted that those responses are due next week.

Rate Restructuring – Walch noted that a recent executive committee discussion focused on proposed rate restructuring. At that meeting, management reported that the preliminary results of the cost of service study commissioned by the board indicate that GVP is in need of a rate increase to meet its financial requirements. Walch noted that GVP’s last rate increase was 2012. Walch indicated that clear direction on rates should be provided by the board no later than the October board meeting to allow adequate time to implement and communicate rate change details. Walch noted that any change in rates should accurately reflect GVP’s costs; since GVP’s cost of power is more expensive at different times of the day, more equitable revenue recovery could be achieved with time-of-use rates. Walch summarized that the objectives of the rate action are to (1) raise the necessary revenue to meet rising costs; and (2) make rates more equitable so that consumers bear the cost they impose on the system. Following discussion, a rate workshop for GVP management and board was scheduled for Tuesday, September 21 at 8:00 a.m.

Walch noted that GJEP’s Economic Summit will be held at Two Rivers Convention Center on September 30. GVP will once again be a sponsor of the event, and directors were encouraged to attend.

MOTION: Motion by Spangler second by Martinez to approve the CEO report; carried.

MOTION: Motion by Mease second by Martinez to approve the consent agenda items; carried.

III. Executive Session – Legal Update

Jeff Hurd joined the meeting.

MOTION: Motion by McClaskey second by Mease to convene an executive session to discuss legal updates; carried.

Executive session convened at 11:27 a.m.

Regular session reconvened at 11:51 p.m.

IV. Establish Date, Time, and Venue for 2022 Annual Meeting

Elder noted that GVP historically holds the annual meeting on the first Thursday in August. Elder shared that

GVP has contacted CMU and verified that the Meyer Ballroom is available to GVP for Thursday, August 4, 2022.

MOTION: Motion by McClaskey second by Woods to set the 2022 GVP Annual Meeting for 6:30 p.m. Thursday, August 4, 2022 at the Meyer Ballroom on the CMU campus; carried.

V. Approve Board Resolution R21-01 – Request for Change in Authorized Signatures

MOTION: Motion by Burtard second by Martinez to approve Board Resolution R21-01 – Request for Change in Authorized Signatures; carried.

VI. Annual Review of Policy Bulletin No. 33 – Director Compensation

Sandeen-Hall stated that Policy Bulletin No. 33 & Policy Bulletin No. 41 were provided in the board packet. The board reviewed the policies, and no changes were proposed.

VII. Attorney's Report

Kampf noted that he worked with Elder to establish a shared commitment agreement for employees attending NRECA's Management Internship Program. Kampf shared that GVP has received a response from CenturyLink regarding the pole attachment agreement and he would be reviewing the agreement with staff.

Kampf provided a review and summary of legal and fiduciary obligations of GVP directors.

Kampf provided a review of Policy Bulletin No. 107 – Conflicts of Interest.

VIII. CREA Report

Martinez noted that the CREA minutes were provided in the board packet. Martinez noted that a discussion was held at the CREA meeting regarding the trade association's value to its member cooperatives. Martinez distributed a CREA legislative update regarding the upcoming session.

Walch shared NRECA's comments regarding the proposed Build Back Better legislation pending in Congress.

IX. WUE Report

Mease provided a review of the WUE monthly report. Mease shared that GVP should receive a capital credit check from WUE next week.

X. Executive Session – Succession Planning and Process for Selection of General Counsel

MOTION: Motion by Martinez second by Woods to convene an executive session to discuss personnel matters/succession planning and the selection process for General Counsel; carried.

Executive session convened at 12:49 p.m.

Regular session reconvened at 1:37 p.m.

XI. Continuing Business

Sandeen-Hall asked for director input regarding the 2021-2022 Board Committees. Directors agreed to serve on the following committees:

Finance and Audit Committee: Martinez, McClaskey, Mease, Rooks

Compensation and Benefits Committee: Martinez, McClaskey, Rooks, Sandeen-Hall

Policy and Governance Committee: Martinez, Spangler, VanWinkle, Woods

Member and Community Relations Committee: Burtard, Mease, Sandeen-Hall, Spangler

XII. New Business

None.

MOTION: Motion by McClaskey second by Martinez to adjourn; carried.

Meeting adjourned at 1:45 p.m.

Derek Elder, Assistant Secretary

Carolyn Sandeen-Hall, President