

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

Regular Meeting

April 19, 2022

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Tuesday, April 19, 2022 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; Christmas Wharton, Communications Manager; Matt Williams, Engineering Manager; Karen Allen, IT Manager; Pat Kanda, Finance Manager; Joe Michalewicz, Controller; Thomas Wright, Staff Engineer; Bill Barlow, Operations Manager; Trevor Lettman, Foreman; Matt Mason, Foreman; Jeff Hurd, Attorney.

MOTION: Motion by Mease second by Martinez to approve the minutes of the March 16, 2022 regular meeting; carried.

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

I. Guests and Public Comments

None.

II. CEO's Report

Staff Reports

Walch congratulated Wharton and Dana Pogar on receiving five national Spotlight on Excellence awards, which recognizes the best communication and marketing efforts by electric cooperatives and related organizations across the country. Walch shared that Wharton received the Gold Award for Best Annual Report to Members for GVP's 85 Years of Staying Power 2021 Annual Report. Wharton also received Gold for Best Total Communications Program for the Xcel FCA Communications Campaign. Walch reported that Pogar received the Gold Award for Best Graphic Design for GVP's 85th Anniversary logo. Pogar also received Gold for Best Ad for GVP's Glow Halloween event, and a Silver award for her Wild Card entry of a High Voltage Demonstration that was distributed to local teachers as part of the virtual edition of the 2021 Mesa County Safety Fair.

Operations – Barlow introduced Trevor Lettman and Matt Mason to report on the CREA Operations and Engineering Conference held in Crested Butte. Lettman and Mason expressed appreciation for the

opportunity to hear first-hand about incidents and close calls regarding electrical contacts. They thanked GVP for sending them to the conference. Barlow provided an update on the backlog in ordering bucket and digger trucks. Barlow noted that lead times for delivery of bucket trucks has extended to three to five years. Barlow stated that GVP will develop a plan to minimize lead times for trucks over the next five years. Barlow shared information regarding a recent outage along G Road near 24 Road. Mease inquired about the uptick in minutes of outage time described in the board outage reports. Barlow noted that spring weather and the size of the outages increased the outage minutes for the month.

Walch provided an update from the Employee Safety Committee. Walch shared that board packets will contain sample tailgate reports and crew visit reports monthly. Walch highlighted the key metrics identified in the 2022 Safety Improvement Plan. Walch shared a letter of appreciation received from a GVP member thanking Caleb Monger for taking the extra time to address the member's concern.

Information Technology – Allen provided a review of GVP's progress answering the top ten questions (from NISC webinar) that CEOs should be asking information technology staffers regarding cybersecurity.

Member Services – Elder reported that GVP has completed the initial draft of the Fruita Franchise Agreement extension. Elder shared that the agreement will be introduced to the Fruita City Council in June with a second reading/adoption in July. Elder provided an update on the rate restructure.

Engineering – Williams reported that the Ute Water Hydro generator will be out of service through the middle of May. Williams stated that substation power transformer lead times have increased to 38 months. He noted that the Engineering department will engage with a consultant to develop specifications for power transformers for the Highline and Adobe substations. Williams indicated that Xcel Energy has requested a meeting with GVP regarding the 69 kV transmission line that serves the Xcel Fruita substation (used by GVP to serve Glade Park consumers).

Wright provided an update on the Construction Work Plan. Wright reported that costs for the work plan have increased by an estimated \$3 million due to inflationary impacts. He noted that these costs could increase further over the next couple of years. Mease stated that this increase is still subject to the price at time of delivery which is expected to increase. Wright shared that anticipated completion dates are shifting as product availability continues to be unpredictable.

Communications – Wharton shared the results of GVP's scholarship selection process. Wharton noted that Scholarship Selection Committee members expressed appreciation for GVP's efforts to bring awareness to the scholarship program and encouraging high quality candidates to compete for the scholarships. She shared the following scholarship awards:

- CMU/Jack Broughton Scholarship – Alexis Grundy
- GVP Scholarship – Olivia Shear
- GVP Scholarship – Jeweli Wiltse
- GVP Scholarship – Riley Pope
- GVP Scholarship – Ashlyn Wilkerson
- GVP Scholarship – Sarah Cook
- GVP Scholarship – Sophia Feghali

Wharton shared the award ceremony schedule for each school from which a recipient was selected. Wharton asked directors for their availability to attend the award ceremonies.

Wharton shared a schedule of upcoming community events in which GVP will be participating. She noted that GVP will be participating in a series of educational workshops with the Two Rivers Wildfire Coalition. Wharton noted that GVP is also a sponsor for Kite Day on May 7 and will be handing out

safety materials.

Finance – Michalewicz provided a summary of the monthly financials and reported on monthly disconnects and write-offs. Michalewicz reported that \$1.154 million of CashBack Credits have cleared to date.

Legislative Update – Walch shared that Xcel Energy received late bill status to introduce its resource adequacy bill. Walch noted that Xcel has addressed some of GVP's early concerns. Walch noted that GVP continues to have concerns that this bill could negatively impact competition among power suppliers in the Colorado market. Walch stated that an RTO would ultimately ensure resource adequacy. Hurd noted that Xcel Energy's last-minute push is concerning because there will not be sufficient time to ensure appropriate scrutiny.

Walch reported that SB22-090 – Severe Weather Notification to Utility Customers is being revised and may be brought back up before the end of the session. Walch shared appreciation for CREA's new legislative team.

Power Supply Update – Walch noted that Xcel has announced that Craig Eicher has been named as Senior Manager, Wholesale Accounts. Eicher will oversee contract relationships with Xcel's Colorado wholesale customers, focusing on customer retention and acquisition. Walch stated that Eicher has asked to set up a time to discuss an emerging issue Xcel has discovered, although the issue has not been disclosed.

Walch reported that GVP lineman Zeb Birch has applied for and will be interviewed for consideration to join three other lineworkers from Colorado to electrify a village in Guatemala later this summer.

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

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

III. Finance and Audit Committee Report

Mease reported on the Finance and Audit Committee meeting with auditor Kevin Kelso and noted the committee recommends acceptance of the audit report.

MOTION: Motion by McClaskey second by Rooks to accept the audit report for the year ended December 31, 2021; carried.

IV. Authorize Allocation of Member Capital

Walch noted that to remain consistent with past practices, staff recommends that GVP continue to allocate total net margins. Walch shared that the 2021 total net margins are \$2,559,516 which includes \$1,063,413 attributable to Paycheck Protection Program loan forgiveness.

MOTION: Motion by Martinez second by Mease to approve the allocation of 2021 net margins totaling \$2,559,516, including the non-operating income of \$1,063,041 received from the forgiveness of the Paycheck Protection Program loan; carried.

V. Review and Approve 2021 Form 990

Kanda presented the 2021 Form 990.

MOTION: Motion by Rooks second by Martinez to accept the Form 990 for the year ended December 31, 2021; carried.

VI. Executive Session

MOTION: Motion by McClaskey second by Burtard to convene an executive session for the purpose of receiving a power supply update, receiving a privileged legal update, and discussing the CEO performance review and compensation; unanimously carried.

Executive session convened at 12:40 p.m.

Regular session reconvened at 2:14 p.m.

MOTION: Motion by Mease second by VanWinkle to implement a compensation adjustment for the CEO that would increase base pay by 3%, effective January 1, 2022, and to award an additional \$3,000 performance bonus; carried 5-3 with Burtard, Martinez, and Woods opposed.

VII. Attorney's Report

Hurd shared that the Xcel wholesale cooperatives continue to seek information relevant to their evaluation of the February 2021 winter storm event fuel cost adjustment. Attorneys for the wholesale customer cooperatives and from Xcel conferred in early March and the wholesale cooperatives are preparing a written follow-up to that meeting. Hurd will provide a further update in the May board meeting.

VIII. CREA Report

Martinez shared that the CREA report was provided in the board material.

IX. WUE Report

Mease shared that Western United report was provided in the board material.

X. Continuing Business

None.

XI. New Business

None.

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

Meeting adjourned at 2:17 p.m.

Derek Elder, Assistant Secretary

Carolyn Sandeen-Hall, President