

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

Regular Meeting

August 17, 2022

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, August 17, 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
Kyle Coltrinari	present
Gary DeYoung	present
Don McClaskey	present
Jesse Mease	present
Bill Rooks	present
Carolyn Sandeen-Hall	present
Janie VanWinkle	arrived at 10:30 a.m.
Brian Woods	present

Others present: Tom Walch, CEO; Derek Elder, Corporate & Member Services Manager; Matt Williams, Engineering Manager; Thomas Wright, Staff Engineer; Dan Reid, Purchasing and Warehouse Manager; Pat Kanda, Finance Manager; Sarah Wheeler, Accountant & Benefits Administrator; Bill Barlow, Operations Manager; Mark Shaffer, Operations Supervisor; Karen Allen, Information Technology Manager; Tonya Archuleta, Applications Analyst; Jeff Hurd, Attorney; GVP Member Greg Randall.

Sandeen-Hall welcomed new directors Kyle Coltrinari and Gary DeYoung to the Grand Valley Power Board of Directors. Sandeen-Hall thanked Rod Martinez for his 22 years of service to the board.

**MOTION:** Motion by Burtard second by Woods to approve the minutes of the July 20, 2022 regular meeting; carried 6-0, with two abstentions.

**MOTION:** Motion by McClaskey second by Rooks to approve the agenda; unanimously carried.

I. Guests and Public Comments

Sandeen-Hall welcomed GVP member Greg Randall. Randall addressed the board regarding the impact of GVP's Time-of-Use Rates on consumers with distributed generation solar interconnections. Randall reviewed a letter that he penned to Walch, which was shared with the board the prior week. Randall expressed concern that Time-of-Use rates did not allow him to fully recoup the investment and benefits that he made at his home the previous year. Sandeen-Hall shared that GVP still follows net-metering laws and provides the benefits of distributed generation based on net consumption during different periods. Walch shared that GVP is treating all residential consumers equally in the application of its Time-of-Use rates in an effort to pass on the higher costs of wholesale power during on-peak to consumers who use power during those periods. Sandeen-Hall and Walch thanked Randall for sharing his thoughts and concerns and expressed appreciation for Randall taking the time to attend the board meeting.

II. CEO's Report

Sandeen-Hall shared thank you notes from Jim and Rita Kirk, Mary McDonald, and Sophia Feghali regarding the GVP Annual Meeting. She also shared thank you notes from local 4-H participants who benefitted from

GVP's participation in the Mesa County Fair Livestock Sale.

### Staff Reports

Engineering – Williams provided an update on the 48 MW Nannie Blain solar farm. Williams reported that the project exceeds the scope of GVP's ability to purchase power under its current power purchase agreement. Williams noted that the existing transmission line near the site does not have the capacity to carry that much power and the project developers will be required to obtain an interconnection study conducted by Xcel Energy before moving forward.

Williams also provided an overview of the monthly outage reports, system demand report, heating and cooling degree days report, construction work plan, and the distributed generation report.

Williams presented a proposed rate tariff for non-metered services for public safety entities. Williams indicated that staff will be seeking board approval of this tariff at the September board meeting.

Information Technology – Allen provided a review of ARX System's Vulnerability Assessment and Penetration Test (VAPT) performed on GVP's network and information technology assets. Walch provided a summary of a proposed GVP Director Technology Support Plan. The proposal is designed to standardize the support that GVP provides to directors to facilitate effective communication with management. It was the consensus of the board to adopt the plan.

Operations – Barlow provided an update on recent outages caused by storms and vehicle accidents. Barlow reported that the Operations Department will be working with Grand Junction and Lower Valley fire departments to practice pole-top rescue and Mayday calls. Barlow noted that Clint Blaylock is attending the NRECA Safety Leadership Summit and will provide a report next month.

Shaffer provided a report from the CREA Loss Control Conference. Shaffer noted that he received GVP's No Lost Time Accident Award for 2021 from CREA at the conference. Shaffer presented the award to the board.

Benefits Administration – Wheeler provided a summary of the NRECA Resolution authorizing restatement of the NRECA Retirement Plans as required by Internal Revenue Service Regulations. She noted that another amendment, limiting the eligibility of GVP's NRECA Retirement Plans for part-time employees, will be on the agenda next month.

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

Annual Meeting Review and Member Services Update – Elder shared that Rita Sanders was offered the Director of Marketing and Communications position. Sanders accepted the offer and will begin her new role on Tuesday, September 6. Elder provided a summary of the 2022 director elections results.

Elder stated that staff met to review and critique the 2022 Annual Meeting. Elder asked for director input regarding the 2022 Annual Meeting. Coltrinari shared appreciation for the venue and quality of the meeting. He noted that while parking was an initial concern, staff and volunteers executed a plan that alleviated that concern and made the process efficient and seamless. DeYoung shared appreciation for the evening and venue. DeYoung stated that he was surprised that GVP asked for questions from the members. Sandeen-Hall shared that GVP has an agenda item every year asking for member questions. DeYoung shared that GVP may consider providing notecards during registration for members to submit anonymous questions.

Elder reported that staff is currently working with General Counsel Hurd to update GVP's privacy policy and should have an updated policy for the board to review at the September board meeting. Elder stated that GVP will launch the GVP Hometown Marketplace in September. This online store will

provide GVP members with discounted energy-efficient products designed to help members make smart energy choices and save money with GVP's time-of-use rates. Elder noted that GVP plans to launch Apogee, a member communications program also designed to help members save money and energy, around the first of the year.

Discuss Updates to Bylaws and Board Policies – Walch asked for director input regarding the director election process and policies. DeYoung asked that consideration be given to schedule some board meetings or other events for consumers outside of normal work hours to provide more opportunity for member comments. He suggested that an outreach effort to connect with consumers who have questions and concerns about GVP's Time-of-Use rates would be timely. The board and management staff supported these proposals and Walch indicated that staff would work to schedule evening meetings, starting with an event focused on the new rate structure.

Walch indicated that he would work with Hurd and Elder to develop and present an updated formal complaint policy to the board at a later date.

Walch asked for input regarding possible updates to bylaws. Hurd noted that certain amendments were adopted in the past year to comply with new statutory requirements, and that it would be beneficial to review the bylaws to assure that the language and business practices are aligned. Walch asked directors to provide input prior to the September board meeting. Woods shared that staff should review the bylaws and bring any recommended changes to the Policy and Governance committee. DeYoung shared that he would like to have a director participate with staff in reviewing the bylaws. VanWinkle shared that she is comfortable to let staff review the bylaws with general counsel and then present the recommendations to the Board's Policy and Governance committee. The board was in general agreement to have staff move forward with the review and provide a report to the Board's Policy and Governance committee. Walch indicated that staff would begin working with Hurd on the review process. Any recommended changes will be presented to the Policy and Governance committee. The committee will then report any recommendations regarding proposed amendments to the full board.

Power Supply Update – Walch reported that Public Service Company of Colorado (PSCo) provided notice that they intend to file an amendment of the formula-based production rate with the Federal Energy Regulatory Commission (FERC) to integrate a social cost of carbon as required by the Colorado Public Utilities Commission (PUC). Walch stated that GVP will have opportunities to evaluate the FERC filing and determine whether comment or participation is necessary.

Walch noted that the Colorado Office of the Utility Consumer Advocate (UCA) asked the PUC to reconsider its determination that PSCo acted prudently in managing fuel costs during Winter Storm Uri. Walch noted the UCA argues that the conclusion runs "contrary to the record, lacks reasoned explanation, and results in unjust and unreasonable recovery of \$550 million in excess gas costs." Walch stated that he will provide updates if the UCA's efforts gain traction.

Legislative Report – Walch reported that he has reached out to Xcel Wholesale Customer Account Manager Craig Eicher to ask for the opportunity to meet with Xcel Energy's legislative team prior to next year's session. Walch reported that the CREA manager's group and the CREA Board of Directors recently held discussions regarding legislative and regulatory issues concerning resource adequacy planning. Walch stated that CREA would begin participating in the rule-making process and provide input in the discussion concerning resource adequacy.

Walch reported that the recently passed Inflation Reduction Act includes provisions to provide Direct-Pay Incentives to cooperatives that may provide opportunities for GVP to receive financial benefits like those currently in place for other utilities with Investment Tax Credits. Walch noted that GVP, as a not-for-profit electric cooperative, cannot benefit directly from Investment Tax Credits and other mechanisms used to subsidize clean energy investments.

Walch asked directors to consider meeting as a committee of the whole to examine the wholesale

power supply review and decision-making process. Sandeen-Hall suggested that the board begin meeting with management staff to review the material. Mease shared that he would be open to participating in a review of the information over several sessions. Coltrinari inquired about the timeline for a wholesale power supply decision. Walch stated that the timeline is determined by the board and should match the board's comfort level in making the decision. Walch emphasized that time is critical, as wholesale power costs will continue to escalate, and the timing of the board's decision will be directly tied to the timing of any relief from these rising costs. Sandeen-Hall asked for input regarding the timing of a committee of the whole to begin reviewing wholesale power supply information. The consensus of the board was to meet at 8:00 a.m. for one hour prior to next month's board meeting to begin reviewing wholesale power supply issues.

Walch reported the CREA Energy Innovations Summit and Fall Conference are scheduled for November 5-8 in Westminster, Colorado. Walch asked directors to review the schedule and materials prior to next month's board meeting.

**MOTION:** Motion by VanWinkle second by Woods to approve the CEO report; unanimously carried.

Sandeen-Hall provided a summary of the reports that are included in the consent agenda.

**MOTION:** Motion by DeYoung second by Mease to approve the consent agenda items; unanimously carried.

III. Discuss 2022-2023 Board Calendar

Sandeen-Hall asked for a discussion of the 2022-2023 board calendar. Sandeen-Hall reminded directors that the board calendar is in the resources tab on the Call-to-Order app. Walch shared that he has a scheduling conflict in July 2023 with the normal board meeting date. The consensus of the board was to move the July 2023 meeting date to July 26, 2023.

Walch asked directors to begin considering alternative dates and times for GVP board meetings or to schedule member sessions in 2023.

Sandeen-Hall asked directors to continue looking at the 2022-2023 calendar and be prepared to discuss the board calendar at future meetings.

IV. Adopt Resolution 22-02 Restatement of NRECA Retirement Plans

**MOTION:** Motion by Woods second by Mease to adopt Resolution 22-02 Authorizing the Restatement of NRECA Retirement Plans; unanimously carried.

V. Review Legal and Fiduciary Duties of Directors and Conflicts of Interest Policy

Sandeen-Hall suggested that the board postpone the review of director legal and fiduciary duties and the review of the conflict-of-interest policy to next month's meeting. The consensus of the board was to reschedule the review for the September board meeting.

VI. Election of Officers

President Sandeen-Hall turned the meeting over to General Counsel Hurd to conduct the election of board officers.

Hurd provided a review of Bylaws Section VII.

Hurd asked for nominations and a second for the Board President.

**MOTION:** Motion by Burtard second by Woods to nominate Carolyn Sandeen-Hall as President and elect

her by acclamation; unanimously carried.

Hurd asked for nominations for the Board Vice-President. McClaskey inquired if moving forward with the same officer slate was in the best interest. VanWinkle shared that with the pending issues before GVP, strong, experienced leadership was at a premium. Burtard shared appreciation for the level of knowledge that the current officer slate has and their commitment to the organization.

**MOTION:** Motion by Sandeen-Hall second by Burtard to nominate Janie VanWinkle as Vice-President and elect her by acclamation; unanimously carried.

Hurd asked for nominations for the Board Secretary-Treasurer.

**MOTION:** Motion by Burtard second by Woods to nominate Jesse Mease as Secretary-Treasurer and elect him by acclamation; unanimously carried.

Hurd turned the meeting back over to President Sandeen-Hall.

#### VII. Appoint Delegates to Affiliated Organizations

Sandeen-Hall asked for nominations for delegates to CREA and WUE.

**MOTION:** Motion by VanWinkle second by Burtard to appoint Brian Woods as GVP's director on the Colorado Rural Electric Association Board of Directors; unanimously carried.

**MOTION:** Motion by VanWinkle second by Woods to appoint Joe Burtard as GVP's alternate director on the Colorado Rural Electric Association Board of Directors; unanimously carried.

**MOTION:** Motion by McClaskey second by Rooks to appoint Jesse Mease as GVP's director on the Western United Electric Supply Corporation Board of Directors; unanimously carried.

**MOTION:** Motion by Mease second by Coltrinari to appoint Joe Burtard as GVP's alternate director on the Western United Electric Supply Corporation Board of Directors; unanimously carried.

Sandeen-Hall asked directors to consider which committees they would have interest in serving on and be prepared to discuss at next month's meeting.

#### VIII. Executive Session – Personnel Issues, Power Supply RFP Update, Legal Update

**MOTION:** Motion by Mease second by Burtard to convene an executive session for the purpose of discussing personnel issues, receiving a Power Supply RFP update, and receiving a privileged legal update; unanimously carried.

Executive session convened at 2:41 p.m.

Regular session reconvened at 3:42 p.m.

#### IX. Attorney's Report

Hurd reported that his legal update was covered in prior remarks during the meeting.

#### X. CREA Report

Sandeen-Hall noted the CREA report was included in the board packet. Walch shared that he gave a presentation at the CREA meeting to encourage other cooperatives to make donations to the Mesa Hotline School to help move the training yard to its new location.

XI. WUE Report

Mease shared that WUE has a \$97M backlog in orders and lead times are continuing to increase. Mease shared that 85% of all sales are to member cooperatives.

XII. Continuing Business

None.

XIII. New Business

None.

**MOTION:** Motion by DeYoung second by McClaskey to adjourn; unanimously carried.

Meeting adjourned at 3:47 p.m.



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Derek Elder, Assistant Secretary



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Carolyn Sandeen-Hall, President

Dear Grand Valley Power Board,

I will be attending the August 17th board meeting to discuss the new billing Grand Valley Power (GVP) has started. Although in principle this new billing system makes sense for GVP users to be better consumers of electricity, I feel there are some issues that may have been overlooked when conceiving the system. I thought I would write this letter so you all get an idea of my thinking before I come to the meeting.

You all must realize in the last year I have spent tens of thousands of dollars making my house efficient and gas free. I have bought all new appliances, (all electric, previous were propane) I put in new state of the art solar panels, I put in a new electric boiler and water heater (replacing propane), in the hopes of making my home costs as little as possible.

It is my understanding the cost to consumers for Off-Peak usage is 8.95 cents per kWh, and for On-Peak usage 18.25 cents per kWh. This is a difference of 2.04 times more for On-Peak usage compared to Off-Peak usage. More on that later.

After speaking with Derek, I understand there are two banks for solar users that "bank" kWh produced above used, an Off-Peak bank for usage between 9 p.m. and 4 p.m. the next day and an On-Peak bank for usage between 4 p.m. and 9 p.m., and the banks shall not cross. To me this is like having a savings account for Off-Peak usage and a checking account for On-Peak usage. The problem with this system for owners of solar panels is the sun is up during Off-Peak usage and down for most of the On-Peak hours, especially during winter months. I will use my power bill as the example here, I have banked 2,251 kWh Off-Peak and banked 36 kWh On-Peak. Now let's say I use 1000 kWh more than I make in the next month during Off-Peak hours. I will still have 1251 kWh in the bank. Now if I use 100 kWh more than I make during On-Peak hours I will owe money because there is no way I can take kWh from the Off-Peak bank to pay for my On-Peak usage. This would be like if I have \$10,000 in savings and \$100 in checking and I wrote a check for \$1,000. In a normal system I could take \$900 out of savings to cover the check, but not in this system.

When I talked to Derek he told me I just needed to “change my behavior” and heat my house before 4 p.m. so I will not use electricity after four. I do appreciate Derek's explanation and thinking, but like I told him the power I produce from sunrise until 4 p.m. that I do not use goes somewhere for use and GVP gets it for free, it doesn't just disappear. I also feel I have “changed my behavior” by going all electric and purchasing solar panels.

While I do understand, and even agree with GVPs thinking, charging more during busy times of usage, it does help GVP customers be better consumers, I think there were some issues that may not have been thought of and therefore not addressed. My issue is the total power I produce versus the total power I consume. I installed solar, new electric appliances and a new electric boiler so I would become a better consumer and producer of electricity. I was trying to change my thinking and behaviors to help myself and others. Like I said, I do agree with GVPs thinking on this issue, I just think you need to tweak your system a little bit to make it fair for people who produce large amounts of electricity during the daylight hours for all consumers to use. I would like to recommend taking 2.04 times the kWh amount used during On-Peak hours out of the Off-Peak bank. This seems like a win-win, as GVP gets the power I produce and don't use when the sun is out for free, and I pay 2.04 times that amount for my usage, over what I produce, during the On-Peak hours. This is the same percent more I would pay for those hours compared to Off-Peak hours.

I hope this letter helps, gives the board an idea of what I want to talk about and also makes you see I am coming with solutions, not just complaints. I look forward to discussing this issue with the board on August 17th.

Sincerely,

Greg Randall