

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

Regular Meeting

February 16, 2022

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, February 16, 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	absent

Others present: Tom Walch, CEO; Derek Elder, Corporate & Member Services Manager; Karen Allen, I.T. Manager; Pat Kanda, Finance Manager; Joe Michalewicz, Controller; Thomas Wright, Staff Engineer; Mark Shaffer, Operations Supervisor; Christmas Wharton, Communications Manager; Dana Pogar, Communications Specialist; Jeff Hurd, Attorney; Gary De Young, GVP Member.

MOTION: Motion by Martinez second by Rooks to approve the minutes of the January 19, 2022 regular meeting; carried.

MOTION: Motion by Martinez second by McClaskey to approve the minutes of the January 19, 2022 special meeting; carried.

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

I. Guests and Public Comments

Sandeen-Hall presented Excellence in Newsletters awards from *Colorado Country Life*. Sandeen-Hall congratulated Walch for receiving a second-place award for Best Explanation of an Industry Situation for his article titled Xcel Price Hike Hits GVP. Sandeen-Hall presented Wharton with a first-place award for Best Safety Article for her article titled When the Lights Go Out. Sandeen-Hall congratulated Pogar for receiving a first-place award for Best Story on a Community Program for her article titled Operation Interdependence: Mission Complete.

Sandeen-Hall welcomed GVP member Gary De Young. De Young addressed the board regarding CRS 40-9.5-118 section 2(a) and distributed generation systems. De Young reviewed the statute and compared it to GVP's Net Metering Interconnection tariff. He expressed concern that time-of-use rates disincentivize distributed generation consumers with solar installations. Mease and Walch thanked De Young for sharing his thoughts and concerns and expressed appreciation for De Young taking the time to attend the board meeting.

II. CEO's Report

Staff Reports

Information Technology – Archuleta provided an update on the billing process as GVP approaches the implementation of new rates. Allen provided a cybersecurity update. Allen shared that she met with Allen Harrington, a cybersecurity consultant who has assisted several rural electric distribution cooperatives hit with ransomware attacks. Allen shared that GVP will engage with Harrington to assess GVP's vulnerability and perform a network penetration test. Allen stated that she worked with GVP IT Technician Jimmy Weber to update GVP's firewall.

Communications – Wharton reported that staff continues to address communications from consumers regarding the rate restructure. Wharton stated that staff responds to inquiries using the medium in which they were received. Wharton noted that staff continually evaluates the communications plan and develops additional material that may be helpful in addressing concerns and providing additional information. Walch shared appreciation for the CSRs' ability and willingness to provide support and respond to consumer inquiries. Wharton shared that Pogar met with the Member and Community Relations Committee to provide an update on the scholarship selection process. Sandeen-Hall reported that the Member and Community Relations Committee met prior to the board meeting to review applicants for the 2022 Youth Camp.

MOTION: Motion by Spangler second by Martinez to approve Astreae Flint as GVP's representative at the 2022 Youth Camp; carried.

Pogar provided a presentation on GVP's updated intranet website. Wharton thanked Pogar for her efforts and expressed appreciation for all employees and directors for providing input.

Operations – Shaffer shared that GVP will participate in the Mesa County Safety Council's Safety Fair at the Mesa Mall on February 16 & 17. Shaffer stated that the operations department continues to see an increase in workload. He noted that lead times for materials continue to increase, complicating the scheduling process for construction to new services. Walch commended Foreman Trevor Lettman and Serviceman Kit Mabley for their leadership in volunteering to serve on the Safety Committee. Walch expressed appreciation for all employees in reaching the three-year mark without a lost-time accident.

Engineering – Wright reported that the engineering department is moving forward with the 2022 Construction Work Plan, but increased prices will impact costs. An updated work plan will be presented to the board in upcoming months. Mease inquired if vendors are providing lead time estimates. Wright stated that Billiet continues to keep in contact with multiple vendors to make sure materials are available prior to construction.

Finance – Kanda provided a summary of the monthly financials and reported on monthly disconnects and write-offs. Kanda reported that \$1,286,000 in Cashback Credit checks were issued in December 2021, and almost \$1,096,000 of this amount has cleared. Walch indicated that the audit report should be complete within the next few weeks. It was the consensus of the board to schedule a virtual session to give the auditor an opportunity to present his report to the Board Finance and Audit Committee in advance of the April board meeting. All directors will be invited to participate in the session. The committee will then make a recommendation to the full board with respect to any necessary action to be taken with the respect to the audit report.

Member Services – Elder reported that Dan Reid was promoted to Warehouse and Purchasing Manager. He stated that GVP has posted the vacant Warehouse Person position internally. Elder provided an update on GVP's Electric Vehicle (EV) rate and the consumer response.

Legislative Update – Walch stated that the 2022 Legislative Session convened on January 10. Walch

shared appreciation for the efforts of CREA's legislative team to keep cooperatives updated with timely information.

Rate Restructuring Messaging Update – Walch provided a summary of consumer responses to GVP outreach regarding the rate restructure. Walch noted that GVP has provided targeted responses to communications that have been made directly to Grand Valley Power. Sandeen-Hall inquired if the directors support a board editorial column in April's Colorado Country Life discussing cost challenges faced by the cooperative. The consensus of the board was to have Sandeen-Hall compose the feature column for April's *Colorado Country Life* on behalf of the board of directors.

Walch shared a consumer letter with detailed questions regarding the rate restructuring, along with a request to delay the implementation of the proposed rate changes. Walch noted that this is the only request to delay rate change implementation GVP has received. Walch reported that he responded to the request for information and offered to meet with the consumer to discuss the rate changes in further detail. It was the consensus of the board to continue gathering feedback from members and allow Walch the opportunity to meet with the consumer in question before addressing this request.

Legislative Update – Walch provided a summary of the Legislative Affairs report provided at the CREA Annual Meeting. Hurd shared that Senator Story has contacted him to schedule a meeting on Friday regarding a bill that will be introduced in the Colorado Legislature.

Power Supply Update – Walch stated that Hurd coordinated two virtual sessions with prospective consultants who could provide training and evaluation assistance for the board as it considers power supply options. Walch shared that Sandeen-Hall, Mease, Rooks, and Hurd participated in the virtual sessions. Sandeen-Hall stated that the committee is recommending moving forward with EnerVision to provide training and advice for the board in evaluating power supply options.

MOTION: Motion by Rooks second by Martinez to authorize the CEO to engage with EnerVision to secure an agreement to provide training and evaluation assistance for the board as it considers power supply options; carried.

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

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

III. Approve 2022 Management Objectives and Development Opportunities

Sandeen-Hall provided a summary of the 2022 Management Objectives. Martinez inquired if the order of objectives represents priority. Walch shared that objectives are listed in order of significance.

MOTION: Motion by Martinez second by Mease to approve the 2022 Management Objectives and Development Opportunities; carried.

IV. Review CEO Evaluation Process and Schedule

Sandeen-Hall shared a copy of the 2021 Management Objectives and CEO Evaluation Form with directors. Sandeen-Hall asked directors to complete the evaluation and submit it to her by March 1. Sandeen-Hall stated that she will review the comments with the Executive Committee and compile the comments into one document that will be distributed to directors prior to the March board meeting.

V. Attorney's Report

Hurd expressed appreciation for the support provided by staff members as he has assumed responsibility as

GVP's legal counsel.

VI. CREA Report

Martinez shared updates from the CREA Annual Meeting. Martinez stated that CEEI met and will provide 22 employee courses for cooperatives in 2022. Martinez noted that CEEI raised \$4,000 that will help support the Youth Camp and educational classes and opportunities for CREA members. Martinez shared that Sandeen-Hall was elected to serve as the District 5 representative for CARE/ACRE.

VII. WUE Report

Mease shared that Western United Electric continues to see increased sales and lead times continue to increase. Mease shared that Western United implemented new control processes to strengthen oversight of the accounting processes.

VIII. Continuing Business

None.

IX. New Business

None.

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

Meeting adjourned at 1:00 p.m.

Derek Elder, Assistant Secretary

Carolyn Sandeen-Hall, President