

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

Regular Meeting

January 19, 2022

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, January 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; Matt Williams, Engineering Manager; Karen Allen, I.T. Manager; Pat Kanda, Finance Manager; Joe Michalewicz, Controller; Christmas Wharton, Communications Manager; Bill Barlow, Operations Manager; Jeff Hurd, Attorney.

MOTION: Motion by Martinez second by Mease to approve the minutes of the December 15, 2021 regular meeting; carried.

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

I. Guests and Public Comments

Sandeen-Hall recognized Martinez for achieving his Director Gold credential from NRECA. Sandeen-Hall also recognized Walch for 10 years of service to the cooperative. Sandeen-Hall shared thank you notes from Gregg Kampf and the Western Slope Cowboy Gathering.

II. CEO's Report

Staff Reports

Information Technology – Allen provided a review of cyber initiatives that GVP will complete during the first quarter of 2022. Walch reported that NISC joined a meeting at NRECA's CEO Close-up to discuss cybersecurity and the increased number of attempted attacks on cooperatives. Allen shared that Archuleta has been working closely with the Finance and Member Services departments in preparation of year-end processes which run on January 20. Allen reported that she and IT Technician Jimmy Weber will be installing a firewall upgrade next week.

Operations – Barlow provided a review of GVP’s 2021 Safety Report which included the following statistics:

- DART rate of 0.0
- TCIR rate of 2.47
- No Lost-Time Accidents
- 1 OSHA reportable injury
- Completion of a productive and positive RESAP process
- Completion of all Safety Improvement Plan (SIP) objectives
- Introduction and roll-out of the S.A.F.E. App
- Virtual attendance at NRECA’s Safety Leadership Summit by two GVP foremen

Barlow shared that GVP will participate in the Mesa County Safety Council’s Safety Fair at the Mesa Mall on February 16 & 17. Barlow provided a review of outages including a vehicle pole accident along 22 Road.

Engineering – Williams shared that GVP’s 2021 System Average Interruption Duration Index (SAIDI) was 45.04 minutes which is the best year on record for GVP – and is expected to be one of the top marks in the country. Williams share that SAIDI is a metric that tracks the reliability of service provided by electric power utilities. Williams reported that GVP has completed the process to begin registering Renewable Energy Credits (RECs) associated with GVP purchases from Ute Water’s hydroelectric facility. Williams shared that the cooperative continues to plan for additional load in the area of 24 and G Roads.

Finance – Kanda provided a summary of the monthly financials and reported on monthly disconnects and write-offs. Kanda reported that almost \$1M of the Cashback Credit checks issued to members in December have cleared. Kanda reported that GVP will receive \$170,000 from Xcel Energy for the annual transmission formula rate true-up.

Communications – Wharton shared that in addition to the Safety Fair at the Mesa Mall on February 16 & 17, GVP will be participating in a virtual safety fair with Mesa County Safety Council on February 22-25. Wharton provided an overview of the rate restructuring communications plan and provided a timeline outlining when materials will be delivered to GVP members. She also provided talking points to assist directors when responding to inquiries from members.

Member Services – Elder provided a human resources update and shared that GVP will be advertising for a journeyman lineman position to fill a recent vacancy. Elder shared that GVP secured an agreement to sell approximately 20,473 RECs. Elder shared that proceeds from the sale of RECs are used to reduce wholesale power costs. Elder stated that he and Wharton met with Mike Krueger, Executive Director of Colorado Solar and Storage Association (COSSA), and Lou Villaire, owner of Atlasta Solar, to discuss the upcoming rate restructure. Elder noted that GVP’s time-of-use rate structure for residential consumers was well-received, with Krueger saying that GVP is doing the right thing. Krueger also expressed appreciation for giving COSSA the opportunity to provide input.

Elder shared a copy of the nonstandard meter letter that would be sent to all consumers who are served by a nonstandard meter (pending board approval of the proposed revisions to GVP’s Rules and Regulations). Elder stated that he has work with Jeff Hurd to provide revisions to GVP’s Policy Bulletin No. 50 – Voting and Elections to assure compliance with Colorado House Bill 21-1131.

The regular board meeting was recessed at 10:50 a.m. to convene a special board meeting.

The regular board meeting reconvened at 11:25 a.m.

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.

Power Supply Update – Walch shared that GVP is working with potential power suppliers to identify their resource plans. Walch stated that GVP is also working to mitigate any financial risk that may exist with a new possible power supplier. Walch shared that he will be working with John Krajewski to provide an updated review of RFP responses to the Board of Directors by the end of the first quarter, with a goal to be in position to make key power supply decisions by the end of June. Walch reported that conversations continue with neighboring cooperatives to evaluate mutually beneficial joint power supply arrangements.

Walch stated that he is working with Hurd to identify an outside consultant to provide objective analysis of the Colorado energy market, and how developments in the market could impact GVP's power supply future. Hurd noted that he has contacted two outside consultants and is working to identify two additional consultants. Walch encouraged directors to develop questions for the consultant.

Walch provided a summary of the NRECA Close-up conference. Walch provided an update of the changing CEO landscape within Colorado cooperatives. Walch shared that NISC has a vacant board seat and expressed interest in running for the seat. The consensus of the board was to support Walch's candidacy on NISC's board of directors.

Proposed 2022 Management Objectives – Walch provided a summary of the 2022 Management Objectives. Walch asked directors to review the proposed 2022 Management Objectives and provide comments prior to next month's board meeting.

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

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

III. Community and Member Services Committee Report

Sandeen-Hall reported that Jeff Hurd, Wayne Keeler, and Mike Wells have been contacted and are willing to serve as GVP's Election Supervisory Committee for 2022.

MOTION: Motion by Martinez second by Mease to appoint Jeff Hurd, Wayne Keeler, and Mike Wells to the Election Supervisory Committee for 2022; carried.

Wharton reported that she has communicated with the members of last year's scholarship selection committee and noted that all members have agreed to continue their position on the committee for 2022.

MOTION: Motion by Rooks second by Mease to appoint Jon Bilbo, Dave Bristol, Sandy Haulman, Ruby McCall, and Larry Robbins to the Scholarship Selection Committee for 2022; carried.

IV. Designate Delegates for CREA Annual Meeting

The directors appointed Burtard as GVP's delegate and Sandeen-Hall as GVP's alternate delegate for CREA's Annual Meeting.

V. Designate Delegates for Western United Electric Supply Annual Meeting

The directors appointed Burtard as GVP's delegate and Martinez as GVP's alternate delegate for Western United Electric Supply's Annual Meeting.

VI. Designate Delegates for NRECA Annual Meeting/PowerXchange

The directors appointed Walch as GVP's delegate and Williams as GVP's alternate delegate for NRECA's Annual Meeting/PowerXchange.

VII. Review CEO Evaluation Process

Sandeen-Hall shared that the CEO evaluation process begins in February and encouraged directors to begin planning for the review after the February board meeting. Sandeen-Hall stated that each director is expected to submit comments to her by the first week in March so they can be compiled into a review document that will be shared prior to the March board meeting. She stated that the final review will take place during the March board meeting.

VIII. Adopt Proposed Revisions to GVP Rules and Regulations

Walch provided a review of updates to GVP Rules and Regulations to include (1) a reduction in the disconnect notice charge from \$30 to \$10 and (2) a \$22.50 nonstandard meter monthly charge.

MOTION: Motion by Martinez second by Rooks to approve the proposed revisions to GVP's Rules and Regulations; carried.

IX. Adopt Proposed Revisions to Policy Bulletin No. 50 – Voting and Elections

Hurd provided a review of the proposed changes to Policy Bulletin No. 50 – Voting and Elections. Hurd highlighted the changes, which are necessitated by recent changes in state statute set forth in Colorado House Bill 21-1131.

MOTION: Motion by Woods second by Mease to approve the proposed revisions to Policy Bulletin No. 50 – Voting and Elections; carried.

X. Attorney's Report

Hurd shared that he worked with Elder on a recent REC agreement. Hurd also shared that he worked with Williams on contract language. Hurd noted that he will be working with Elder to update GVP's proposed franchise agreement with the City of Fruita. Hurd shared that he will be tracking and following proposed legislation that may impact GVP.

XI. CREA Report

Martinez shared that the CREA board meeting will take place later this month. Martinez provided an update from the CREA legislative committee. Burtard asked about the impacts of wildfire mitigation legislation and the cooperative's exposure for costs associated with wildfires. Walch noted that generally, GVP would be held to a negligence standard, but under U.S. Forest Service permits to provide service across public lands, the cooperative could be strictly liable for damages, including fire suppression costs.

XII. WUE Report

Mease shared that Western United Electric continues to see increased sales. McClaskey asked about supply chain issues. Mease shared that lead times continue to increase for supplies and that WUE continues to work with cooperatives to anticipate orders.

XIII. Continuing Business

Sandeen-Hall stated that the executive committee reviewed the CEO's expense report for the fourth quarter, along with the 2021 CEO travel summary, noted that the reports were approved.

XIV. New Business

Spangler shared that she plans to continue to serve on Grand Valley Power's board of directors through the end of her current term, which expires in August 2022.

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

Meeting adjourned at 1:01 p.m.

Derek Elder, Assistant Secretary

Carolyn Sandeen-Hall, President