

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

Special Board Meeting

March 15, 2023

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in a special meeting on Wednesday, March 15, 2023 at 845 22 Road, Grand Junction, Colorado to consider proposed amendments to the bylaws. The notice of meeting, agenda and proposed bylaw amendments were posted Friday, March 3, 2023 on the cooperative's website and in the lobby. President Sandeen-Hall called the meeting to order at 8:49 a.m.

ROLL CALL:

Joe Burtard	absent
Kyle Coltrinari	present
Gary DeYoung	present
Don McClaskey	absent
Jesse Mease	present
Bill Rooks	present
Carolyn Sandeen-Hall	present
Janie VanWinkle	present
Brian Woods	present

Others present: Tom Walch, CEO; Derek Elder, CAO; Matt Williams, COO; Rita Sanders, Director of Marketing & Communications; Pat Kanda, Finance Manager; Bill Barlow, Operations Manager; Karen Allen, Information Technology Manager; Lauren Phelps, General Accountant; Destry Smith, Energy Services Administrator; Jeff Hurd, Attorney.

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

I. Review of the Proposed Bylaw Amendments

Walch presented the review of the proposed bylaw amendments. Hurd shared that the changes reflect the changes as recommended by the bylaw committee.

II. Guests and Public Comments: None.

III. Adoption of Bylaw Amendments as shown on the Attachment to the Notice of Special Board Meeting for March 15, 2023.

MOTION: Motion by Woods second by Coltrinari to adopt the bylaw amendments as shown on the attachment to the Notice of Special Board Meeting, March 15, 2023; approved 7-0 by those present.

MOTION: Motion by Rooks second by Mease to adjourn the special board meeting; unanimously carried.

Meeting adjourned at 8:52 a.m.

Rita Sanders, Assistant Secretary

Carolyn Sandeen-Hall, President

ARTICLE V – DIRECTORS

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of nine (9) directors which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or portions of these By-Laws conferred upon or reserved to the members.

Section 2. Election of Directors. Each member of the Cooperative, or joint member on behalf of the joint membership, shall be entitled to vote in the election of directors on the Board of Directors either at a meeting held for such purpose or by mail, but not both. Mail voting shall be in writing on ballots provided by the Cooperative. The mail ballot shall be voted by the member or joint member, deposited in a return envelope which must be signed by the voting member or joint member, and mailed back to the address designated by the Cooperative. Directors shall be elected by a plurality vote of the members. Notwithstanding the foregoing, if the number of people nominated for directors is less than or equal to the number of vacancies, the Board of Directors may eliminate the mail vote for that election and have the previously nominated and eligible director candidates elected by the members present at the meeting of the members. Unless the Board of Directors determines otherwise, in a contested election the ballots shall remain sealed until counted at the offices of the Cooperative on the next business day following the election meeting. All candidates may be present when the ballots are counted. [The Board shall appoint an Election Supervisory Committee, having duties as reflected in Board policy, to oversee the director nomination, election, and voting process.](#)

Section 3. Qualifications. To be eligible for election or appointment to, and to [continue to](#) serve on, the Cooperative's Board of [D](#)irectors, a person shall:

- (a) Be an individual with the capacity to enter legally binding contracts;
- (b) Be a member or joint member of the Cooperative and have been a member or joint member of the Cooperative for at least twelve (12) consecutive months prior to the election;
- (c) Maintain his or her primary residence in the area or territory served by the Cooperative;
- (d) Be served by the Cooperative;
- (e) Not be engaged in any business, nor employed by or materially affiliated with any individual or entity:
 - 1) Regularly, directly, and substantially competing with the Cooperative or a Cooperative subsidiary;
 - 2) Regularly selling goods or services to the Cooperative or a Cooperative Subsidiary;
 - 3) Otherwise possessing a substantial conflict of interest with the Cooperative or a Cooperative subsidiary;
- (f) Not be an individual that has been an employee of the Cooperative within two (2) years prior to serving on the Cooperative's Board of Directors; [and](#)
- [\(g\) Abide by the Cooperative's Articles of Incorporation, By-Laws, tariffs, rules, and Board policies, including but not limited to any conflicts policy and election contributions disclosure policy.](#)

Any member which is not an individual and which has been a member for at least twelve (12) consecutive months prior to the election may designate in writing an individual partner, shareholder, member, manager, officer, board member, or employee who will then be eligible

to be appointed or elected or remain a director just as an individual member, provided the individual so designated satisfies the requirements of subsections (a), (c), (d), (e) ~~and~~ (f) and (g) above. If the designee becomes a director, the designee shall remain eligible to serve as a director as long as the member designating the director remains a member, provided the director is not otherwise disqualified. The designation of the individual by the member may not be changed as long as the designee is a director.

Unless otherwise provided for in Board policy, the Election Supervisory Committee has authority to decide questions about a Director candidate's qualifications from the Director nomination petition deadline through the completion of the election.

At all other times, the Cooperative Board of Directors is responsible for ensuring Directors meet the qualifications for service on the Cooperative Board. If a Director does not meet the qualifications, then the Board may, in its discretion and in consideration of the relevant circumstances (e.g., for serious or intentional acts), vote to expel that Board member by a three-fourths vote of disinterested Directors present at a meeting of the Board. Prior to such vote, the affected Director shall be given an opportunity to be heard at either the open or executive session of a Board Meeting as determined by the Board.

Section 4. Nominations. A nomination for director on the board of Directors of the Cooperative shall be made by written petition signed by at least fifteen (15) members of the Cooperative, and filed with the Board of Directors of the Cooperative no later than sixty (60) days prior to the date of the election. Any petition so filed shall designate the name of the nominee and the term for which nominated. The name of the nominee shall appear on the ballot if the nominee's qualifications and nominating petition are in apparent conformity with this article as determined by the Cooperative's Election Supervisory Committee and confirmed by the Secretary of the Board of Directors.

Section 5. Removal of Directors by Members. Any director may be removed for cause at any time by the members pursuant to the procedure specified in this section. Two hundred (200) or more of the members may bring charges requesting the removal of a director by filing a petition with the Association's Secretary or Assistant Secretary in writing, specifying in detail the charges constituting the cause for removal. Such petition must be signed by at least two hundred (200) of the members. No petition for removal shall specify charges against more than one director. If the removal of more than one director is requested, a separate petition for each director sought to be removed must be filed.

The term "for cause" as used in this section is defined as malfeasance, misfeasance or nonfeasance adversely affecting the Association's interest. "Malfeasance" is the doing of an act which is wholly wrongful and/or unlawful. "Misfeasance" is the improper doing of an act which a person may lawfully do. "Nonfeasance" means the omission of an act which a person ought to do. "For cause" does not mean conduct or decisions made in good faith with a reasonable basis for believing that the action authorized was in the lawful and legitimate furtherance of the Association's business.

The Association's Secretary or Assistant Secretary shall, upon receipt of a written petition signed by at least two hundred (200) of the Association's members, transmit such petition to the entire Board of Directors for consideration at the board's next meeting at which a quorum is present. The directors present, providing they constitute a majority of the Board of Directors, who have no charges brought against them, by majority vote shall determine if there be cause. If the majority find that cause, as defined in this section, has been stated in such petition, the request for removal shall be presented at the next regular or special

meeting of the members. Such a meeting shall be held within ninety (90) days of a finding of cause. In the event there is not a majority of the Board of Directors present against whom no charges have been brought, then such petition shall be referred by the Association's President to an attorney at law, duly licensed to practice in the State of Colorado for at least five (5) years, for a determination as to whether or not cause, as defined in this section, has been stated in such petition. If charges have been brought against the Association's President, then such referral shall be made by the Association's General Manager. Any attorney who has previously represented this Association shall not be eligible to be appointed as provided herein. In the event such attorney finds that cause, as defined in this section, has been stated in such petition, the requested removal shall be presented in the manner hereinbefore stated. Written notice shall be given to all of the Association's members within thirty (30) days from the time such petition is presented, that cause, as defined in this section, has been stated or has not been stated against a director in such petition. In the event both the President and Vice President have had charges brought against them, then at any meeting of the members at which such charges are to be presented, the Board of Directors shall, by resolution, designate a parliamentarian to conduct that portion of the meeting at which charges are to be heard. The director against whom such charges have been brought shall be informed in writing of the charges at least thirty (30) days prior to the meeting of the members, and shall have an opportunity at the meeting of members to be heard in person and/or by counsel and to present evidence. The persons bringing the charges against such director shall have the same opportunity.

Within thirty (30) days after the meeting of members, mail ballots will be distributed to all members of record. A plurality vote of the members voting thereon by mail, as provided in Section 2 of this article, is required to effect such removal; except that the vote for removal by at least two hundred (200) of the members is required to effect such removal. Any vacancy in the Board of Directors created by such removal shall be filled in the manner specified in Sections 2 and 4 of this article at the next annual meeting of members for the remaining term of said director. However, in the event a majority of the Board of Directors has been removed from the Board of Directors, an election for directors will be held within ninety (90) days, pursuant to Sections 2 and 4 of this article. Until new directors can be elected, one-third of the Board of Directors shall constitute a quorum. If more than two-thirds of the Board of Directors has been removed, the Chief Executive Officer shall assume control of the business and affairs of the Cooperative, to the extent permitted by law, until the election can be held.

Section 6. Vacancies. A vacancy occurring in the Board of Directors, by reason of resignation, disability, or death, may be filled by the affirmative vote of a majority of the remaining directors for the unexpired portion of the term, or the vacancy may be filled at the next annual meeting for the election of directors. However, if there is no quorum at the annual meeting or when the number of people nominated is less than the number of vacancies, the vacancy shall be filled by the Board of Directors pursuant to the previous sentence.

Section 7. Compensation. A director is not an employee of the Cooperative. As determined or approved by the Board of Directors, however, the Cooperative may reasonably and fairly compensate directors for their service, including compensation for attending a: (1) Board Meeting; (2) function, meeting or event involving or relating to the Cooperative; or (3) function, meeting, or event involving, relating to, or reasonably enhancing the Director's ability to serve in the role of Director. The Cooperative may also pay or reimburse Directors for reasonable expenses incurred in attending any function, meeting or event described herein. The Board of Directors must determine or approve the manner, method, and amount of any Director compensation or expense payment.

Section 8. Term of Directors. The directors shall be classified with respect to time for which they shall severally hold office, by dividing them into three classes, each consisting of one-

third of the whole number of the Board of Directors, and all directors of the Corporation shall hold office until their successors are elected and qualified. At each annual election, successors to the class of directors whose terms shall expire that year shall be elected to hold office for a term of three years, so that the term of office of one class of directors shall expire in each year.

Section 9. Indemnification of Officers and Directors. The Corporation shall, to the full extent permitted by law, indemnify each of its officers and directors, whether or not in office (and his executor, administrator and heirs), against all expenses actually and necessarily incurred by him, including, but not limited to judgments, costs and counsel fees, in connection with the defense of any litigation, including any civil, criminal, or administrative action, suit or proceeding, to which he may have been made a party because he is or was a director or officer of the Corporation so long as such officer or director is deemed to have been operating within his scope of authority.