

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

Regular Meeting

August 21, 2024

I. Call to Order, Pledge of Allegiance, Roll Call

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, August 21, 2024 at 845 22 Road, Grand Junction, Colorado. President Janie VanWinkle 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
Lindsay Gray	present
Joe Landini	present
Jesse Mease	present
Carolyn Sandeen-Hall	present
Janie VanWinkle	present
Brian Woods	present

Others present: Tom Walch, CEO; Derek Elder, Chief Administrative Officer; Joseph Michalewicz, Chief Financial Officer; Matt Williams, Chief Operating Officer; Mike Kansgen, Director of Information Technology; Rita Sanders, Director of Marketing & Communication; Bill Barlow, Operations Manager; Sarah Wheeler, Controller/Benefits Administrator; Destry Smith, Energy Services Administrator; Tanya Marchun, Communications Specialist; Sarah Abbott, Attorney; Kobi Webb, Attorney.

Directors welcomed newly-elected Director Lindsay Gray, Ireland Stapleton attorney Kobi Webb, and GVP's new Director of Information Technology, Mike Kansgen, to the meeting.

II. Approve Minute Record of July 25 Regular Board Meeting

**MOTION:** Motion by De Young second by Landini to approve the minutes of the July 25, 2024 regular meeting; unanimously carried.

III. Approve Agenda

**MOTION:** Motion by Mease second by Sandeen-Hall to approve the agenda; unanimously carried.

IV. Guests and Public Comment

None.

V. Staff Reports

Communication – Sanders reported that about 450 people attended Grand Valley Power's annual meeting on August 8 at CMU. She said GVP has received many compliments about the meeting, including some written comments on the notecards that were given as the member gift. Attendees and employees noted that the registration and meal lines ran much more efficiently than the previous year. Members loved the "Art of Hometown Service" theme. Regarding the election, Sanders said GVP received requests from members to provide more information about director candidates and will do that next year. Walch offered that Grand Valley Power seeks to improve the meeting each year, and

asked if the cooperative should consider changing the meeting time. Directors agreed that the evening meeting and 6:30 p.m. start time allow members who work during the day to attend the event.

Sanders invited directors to attend the Go Baby Go fundraising breakfast from 7 to 8 a.m. on the morning of the next board meeting on Wednesday, September 18 as part of the employees' Community Impact Project.

Information Technology – New Director of IT Mike Kansgen shared that he is grateful to be working at Grand Valley Power. He reported the building's fire alarms have been updated and tested. Kansgen noted that Verkada will replace malfunctioning sensors in the warehouse later in the week, and that will complete the installation of GVP's new security and monitoring system. He noted that the security system will continue to be installed on a trial basis at selected substations. Kansgen said GVP will maintain a strong focus on cybersecurity and that directors will receive future emails with tips to safeguard against scammers.

Member Services – Smith reported that distributed generation applications are increasing along with the pace of door-to-door sales. He said that some vendors still use aggressive sales tactics and spread misinformation about GVP. Smith noted that one vendor was recently removed from the Preferred Solar Installer list because the company filed for bankruptcy. Three vendors remain on the list. To help inform members, Grand Valley Power answers questions and provides information to members about aggressive sales tactics on social media and in *Colorado Country Life* magazine.

Walch shared an example of one member who called Grand Valley Power to learn how solar would impact his bill. A salesperson had prepared a lease contract that would cost \$90 per month for the solar system. GVP staff informed the member that he would still be required to pay GVP's monthly grid access charge in addition to the \$90 solar payment. The member's average electric bill proved to be less than what he would have spent to lease a solar system. Directors discussed aggressive sales tactics and the potential for legislation and other ways to help curb aggressive solar sales.

Elder reported that he presented at the Grand Junction Chamber's Energy Summit on a panel that discussed community solar. Additionally, Elder said Grand Valley Power will sell some 2023 RECs (Renewable Energy Credits), with the proceeds directed to Grand Valley Power's PCA surplus account to help mitigate impacts of fluctuations in power costs that are otherwise passed onto members. Elder said that Grand Valley Power manages its RECs to meet compliance and maximize cost-control benefits for members.

Operations - Barlow shared that Clint Blaylock, Trevor Lettman, and Caleb Monger attended a Hotline School in Cody, Wyoming. Barlow also reported on an outage at the Adobe substation that was caused by a truck clipping a guy wire. The outage impacted 550 households for about an hour. Another outage in De Beque impacted about 240 households when rain and an osprey nest caused arcing. Grand Valley Power is making plans to put up a nesting pole in the area to help prevent the birds from using the power pole.

Walch reported that Grand Valley Power will send a crew of four to the Light Up Navajo project next July. He said GVP's lineworkers showed a lot of interest in the project and will work alongside a crew from Mountain Parks Electric. Walch shared that CREA is offering upcoming courses on electric cooperative business and invited directors to tour Grand Valley Power's distribution system with Operations Supervisor Mark Shaffer.

Finance – Wheeler provided benefit information to directors. She said that she, Michalewicz, and Elder presented an overview of available benefits to GVP operations employees. Wheeler said GVP is hosting the annual CREA Accountants meeting September 9-11, the first time in many years.

VanWinkle noted that GVP recently received positive recognition from the Colorado River District and other organizations in Mesa County for its commitment to helping secure western Colorado's water rights.

Walch reported that Michalewicz and Williams attended a WARN wildfire mitigation grant meeting in Denver.

Michalewicz provided a summary of the monthly financials and reported on the disconnects and write-offs. Walch noted that Eric Anderson will be here from the National Rural Utilities Cooperative Finance Corporation before the board meeting in October to provide financial training for directors and staff. Anderson will also be on hand for the board meeting to review GVP's 2023 Key Ratio Trend Analysis (KRTA) report. Directors discussed accounts and investments and projected interest rates as well as disconnects and write offs, which have been trending down.

## VI. CEO Report

Walch said Grand Valley Power will have a pole top rescue training session on October 3 at 7:30 a.m. He noted that it would be a good opportunity for directors to see the crews in training.

Net Metering Working Group – Walch referenced the CEO report in the board materials, highlighting that although the governor's Net Metering Working Group did not reach a consensus, participants came away with an understanding of the issues across the industry. The Colorado Solar and Storage Association (COSSA) has said it would consider legislative initiatives to curtail high-pressure sales tactics across the state.

Rate Discussion – Walch proposed moving the timeline for a potential rate restructuring to occur in fall 2025. He said that it may be ambitious to restructure rates before then, especially considering that the cooperative has several projects underway that should be completed before a restructure. The first project would create efficiencies for both the cooperative and consumers. By January 1, 2025, all GVP consumers will be on the Cycle 1 billing period. This way, all consumers would receive their bills on a calendar month basis. Billing would then be more closely aligned with the timing of Grand Valley Power's wholesale power bill from Xcel Energy. The second project would introduce a shared savings marketing program that would incentivize consumers to enroll in paperless billing and take advantage of electronic fund transfers, among other efficiencies. The program would result in cost-savings for both the cooperative and consumers.

Directors discussed the shared savings program idea and an Operation Roundup program and the impact of a rate restructure on consumers. Directors Woods and Mease said they would like more information on Operation Roundup.

Walch said if GVP's finances necessitate increased revenue before a rate restructure could be implemented in fall 2025, the board could consider adjusting the grid connectivity fee as early as spring; however, Walch said margins look strong, and it currently doesn't appear that such an adjustment would be necessary. The board supported delaying rate restructuring until fall 2025, subject to this contingency. Walch noted that GVP will meet with the rate consultant in early September to talk about the cooperative's revenue requirements.

Director De Young presented his perspective on residential net metering loads along with data that he pulled from board reports. He provided an article on rate making philosophy. He shared his thoughts on two rate priorities: 1. Aside from the cost of power (demand and energy cost), rates should reflect the use of the GVP system by members, and 2. Any rate that targets system demand reduction needs to be sufficiently targeted at high demand times. Discussion ensued.

**MOTION:** Motion by De Young second by Coltrinari to approve the CEO report; unanimously carried.

## VII. Review Legal and Fiduciary Obligations of Directors and Conflicts of Interest Policy

Webb reviewed the general and fiduciary duties of directors and Conflicts of Interest Policy for directors to ensure GVP follows relevant laws and regulations and articles of incorporation, bylaws, and policies.

Director Burtard asked if it would be helpful for directors to provide disclosures at least once per year of other board participation. Abbott and Walch said best practice is to disclose conflicts or other board involvement as soon as it's relevant.

## VIII. Consent Agenda

**MOTION:** Motion by Woods second by Sandeen-Hall to approve the consent agenda items; unanimously carried.

## IX. Discuss 2024-2025 Board Calendar

Walch noted that it is good practice to review the board calendar for the 12-month period beginning after the annual meeting. Walch reviewed upcoming CREA, NRECA, and CFC meetings and conflicts with the regular board meeting schedule, and requested directors consider moving the January 2025 meeting to January 22 to accommodate his attendance at the 2025 NRECA CEO Close-Up and NISC Board Strategic Planning Session. Directors were amenable to the request.

Director De Young asked to consider a change in the board's meeting time to accommodate the attendance of people who work during the day. Directors Gray, Burtard, and Coltrinari said the daytime meetings work best for their schedule. President VanWinkle said when she first joined the board, she felt strongly about moving the meetings to evenings, but her experience on the board has taught her that no matter when the meetings are held, it will be challenging for some directors and/or members to attend, and she now recognizes that the current meeting schedule is generally most convenient for those who attend meetings on a regular basis. Walch noted that in the past, when GVP has hosted town hall and other member meetings in the evenings, member attendance has been very limited, to that point that there are typically more staff members in attendance than consumers. Other Grand Valley Power directors and staff members shared that they have not received requests to move the board meetings to the afternoon or evening.

The board discussed enhanced community outreach, including in-person informational events and a family-friendly event that would engage the next generation of co-op members, as part of Grand Valley Power's strategic plan. Walch said that the Member and Community Relations committee could discuss outreach events and make recommendations.

## X. Election of Officers

VanWinkle said she needs to step down as president of the board. She said it has been an honor to serve but she has a new job that requires more of her time.

Abbott conducted the election of officers for the Grand Valley Power Board of Directors. Officer terms begin with the September 2024 meeting and end at the adjournment of the August 2025 meeting following the Annual Meeting. The board elects officers: president, vice-president, and secretary, and treasurer. GVP bylaws provide that the offices of secretary and treasurer may be held by the same person, and this has historically been the practice at GVP.

Abbott asked for nominations for the office of President. Sandeen-Hall moved to nominate Jesse Mease for President. Burtard nominated Brian Woods for President. There were no other nominations.

Mease said that due to his work responsibilities, he wasn't certain that he could do an adequate job with the time commitment that the office of president would take and declined the nomination.

**MOTION:** Motion by Sandeen-Hall second by Gray to elect Brian Woods President by acclamation; unanimously carried.

Woods accepted. He recognized the two great leaders, VanWinkle and Sandeen-Hall, that have led the GVP board in the recent past.

Abbott asked for nominations for the office of Vice-President. Burtard moved to nominate Jesse Mease for Vice-President with no objections. There were no other nominations.

**MOTION:** Motion by Woods second by Burtard to elect Jesse Mease Vice-President by acclamation; unanimously carried.

Abbott asked for nominations for the office of Secretary/Treasurer. Burtard moved to nominate Kyle Coltrinari for Secretary/Treasurer with no objections. There were no other nominations.

**MOTION:** Motion by Sandeen-Hall second by Woods to elect Kyle Coltrinari Secretary/Treasurer by acclamation; unanimously carried.

XI. Appoint Delegates to Affiliated Organizations

VanWinkle asked for nominations for delegates to affiliate organizations.

She said Brian Woods is the current delegate for CREA and has voiced that he is willing to continue in this role. Carolyn Sandeen-Hall is the current alternate delegate but would like to step down. De Young expressed that he would like to be alternate delegate for CREA. No other board members expressed interest. Accordingly, Woods was re-appointed as GVP's CREA Board delegate, and De Young was appointed as the alternate.

VanWinkle said that Jesse Mease is the current delegate and Kyle Coltrinari is the alternate delegate to Western United Electric Supply (WUE), and both are willing to continue. Mease and Coltrinari were re-appointed as GVP's delegate and alternate delegate to the WUE board.

Directors discussed how past directors could be recognized for the service to the membership of Grand Valley Power when those directors are not re-elected to the board.

XII. Executive Session – Personnel Matters, Power Supply Update, Privileged Legal Report

**MOTION:** Motion by Burtard second by Woods to convene an executive session for the purpose of discussing personnel matters, for receiving a privileged power supply update and for receiving a privileged legal report; unanimously carried.

Executive session convened at 1:15 p.m.

Regular session reconvened at 2:30 p.m.

XIII. Approve Agreement with Guzman Energy to Support Grant Funding Application

**MOTION:** Motion by Woods second by De Young to approve the Agreement with Guzman Energy to Support a Grant Funding Application; unanimously carried.

XIV. Approve Resolution R24-07 Authorization to Apply for New ERA Grant Funding

Walch reported that GVP has been invited to submit a complete application for Empowering Rural America (New Era) Program funding. He said the project would coincide with the transition to Guzman Energy in 2028 and would reduce greenhouse gas emissions in GVP's energy portfolio and increase energy resilience.

**MOTION:** Motion by De Young second by Sandeen-Hall to authorize GVP CEO Thomas Walch and his designees to submit, on behalf of GVP, a complete application for funding under the Empowering Rural America (New Era) Program to the USDA; unanimously carried.

Walch noted that while it was challenging to find the right project and reach an agreement, Guzman Energy has partnered with Grand Valley Power to develop a proposal that would meet the cooperative's needs.

XV. Attorney's Report

Abbott reported that key legal issues had been covered in executive session. Walch noted that the meeting is Abbott's last as providing representation for Grand Valley Power and thanked her for her work for GVP.

XVI. Director Reports on Conference and Training Activities

Mease said he participated in an online director education class.

President VanWinkle presented Kyle Coltrinari with the NRECA Credentialed Cooperative Director Certificate.

President VanWinkle provided information that the next Grand Junction Chamber Business After Hours will be held at their ranch in Whitewater on September 24.

XVII. Colorado Rural Electric Association Report

Woods said that CREA is re-designing the *Colorado Country Life* magazine. CREA is continuing to look for replacements for safety and legislative positions. Walch said he has been asked to participate in the interview process for the legislative director candidates.

Director Sandeen-Hall reported that CARE will be interviewing candidates running for seats in the Colorado Assembly to determine which of those candidates the organization will support.

XVIII. Western United Electric Supply Report

Mease reported that sales have ticked back up and lead times are getting longer. He said that WUE has \$156 million in back orders, nearly all of which is transformers.

XIX. Continuing Business

None.

XX. New Business

None.

XXI. Adjourn

**MOTION:** Motion by Landini second by Burtard to adjourn; unanimously carried.

Meeting adjourned at 2:49 p.m.

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Rita Sanders, Assistant Secretary

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Janie VanWinkle, President