

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

Regular Meeting

September 18, 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, September 18, 2024 at 845 22 Road, Grand Junction, Colorado. President Brian Woods 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 De Young	present
Lindsay Gray	present
Joe Landini	present
Jesse Mease	present
Carolyn Sandeen-Hall	present
Janie VanWinkle	absent
Brian Woods	present

Others present: Tom Walch, CEO; Derek Elder, Chief Administrative Officer; Joseph Michalewicz, Chief Financial 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; Walter Fees, Engineer; Kobi Webb, Attorney.

II. Approve Minute Record of August 21 Regular Board Meeting

Director De Young requested the minutes be amended to reflect that he shared his thoughts during the rate discussion 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.

MOTION: Motion by De Young second by Coltrinari to approve the minutes of the August 21, 2024 regular meeting as amended; unanimously carried.

III. Approve Agenda

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

IV. Guests and Public Comments

Member Elaine Shea, a retired educator, and Isaac Ketcham, who lives in a house served by Grand Valley Power, introduced themselves.

V. Staff Reports

Operations – Barlow reported that in January, GVP will participate in Phase 2 of the Commitment to Zero Contacts effort, including a training session facilitated by representatives from CREA, Federated Insurance, and NRECA; and an assessment to help identify the status of Grand Valley Power’s safety practices and culture from the employees’ perspective. Additionally, a pole top rescue training will be

held October 3, and a grounding training is planned for a later date.

Walch said Grand Valley Power has committed to growing its safety program, organically, from the ground up. This has included regular culture surveys that have identified deficiencies that GVP has then addressed for continuous improvement. The co-op is on track with five years of no lost-time accidents, and is the recipient of the 2023 state safety award from CREA.

Walch reported that Mark Shaffer has taken directors and staff on substation tours. Directors Burtard, Woods, and Coltrinari said they appreciate Shaffer's time and the knowledge he shared and are impressed by how well the equipment and grounds are maintained. Directors gained an appreciation for the work that goes into the maintenance of Grand Valley Power's plant.

Communication – Sanders said that she and Tanya Marchun attended the D51 school district Workforce Development Day, a mandatory event for high school juniors. Sanders and Marchun encouraged attendees who live in GVP's service territory to apply for the summer leadership camp and Washington, D.C. tour and scholarships. The communication team would like to increase applications for these cooperative sponsored opportunities for local youths.

Information Technology – Kansgen reported that the Verkada security system upgrade is complete, including the replacement of the overhead door sensors in the warehouse. IT also replaced an uninterruptible power supply (UPS) that was showing end-of-life activity, updated firmware, and completed its annual PCI compliance report, which is used to verify that GVP is compliant with the payment card industry's data security standards.

Finance – Wheeler reported that Grand Valley Power hosted the annual CREA accountants meeting. She said participants had a great time and thanked JR's Carriage Service for providing a tour of the Palisade wine country, which gave the accountants time to get to know each other personally. The accountants donated to Grand Valley Power's Community Impact Project beneficiary, Go Baby Go, as JR's Carriage Service declined to accept gratuity for their service.

Member Services – Elder said that the initial scoping meeting for the Nannie Blaine solar project is scheduled next week with Matt Williams and Walter Fees. Elder shared that a proposal for a system impact study will be provided and all fees relating to the scope of services identified under the proposal will be paid by the project developer.

Discussion ensued about the potential for the transmission of energy generated by future generation facilities. Directors also discussed Xcel Energy's plans to outsource much of its workforce in Colorado, and the frustrations that could come as a result.

Elder reported that Grand Valley Power will communicate beginning in October with consumers billed on Cycle 2 to notify them that they will move to Cycle 1 in December. Walch added that communication to consumers will include bill inserts, emails and information on the website, as well as training for the front office employees that talk with members. Elder also said that Grand Valley Power will need to update its Rules and Regulations to align with the billing change and to make the document's language consistent. Elder shared the board will be asked to approve the changes in November.

Michalewicz provided a summary of the monthly financials and reported on the disconnects and write-offs. He noted that margins are down compared to last year even though the temperatures have been warm, and Grand Valley Power has more meters. Directors discussed possible impacts on kilowatt-hour sales, including net-metering and the construction of energy-efficient homes.

Michalewicz reminded the board that Eric Anderson from the National Rural Utilities Cooperative Finance Corporation will be at Grand Valley Power on Tuesday, October 15 to present on cooperative financials and will present a key ratio trend analysis report at the October 16 board meeting.

VI. CEO Report

Legislative Update – Walch reported that after hearing from the governor’s net-metering workgroup, the Colorado Energy Office decided not to bring forward legislation on net-metering reform. Walch said the consensus among Colorado co-ops is that the decision is acceptable, as cooperatives retain the right to mitigate the impacts of net-metering with ratemaking. Grand Valley Power adopted Time of Use rates to reduce the subsidization of solar, but the move hasn’t eliminated it. Walch noted that Colorado cooperatives will continue to communicate with the Colorado Solar and Storage Association (COSSA) and pursue policies that would eliminate the unethical and questionable solar sales tactics used by solar vendors.

CAMU Rate Comparison – Walch presented the July 2024 rate survey from the Colorado Association of Municipal Utilities (CAMU), which is solicited twice per year from utilities in the state. Walch shared the residential survey results, which show that Grand Valley Power has improved its rate position compared to other Colorado cooperatives. Walch explained that cooperatives have different rates because they are different. Several factors exist, such as density, load, climate and power supply costs, that impact rates. Walch said that Grand Valley Power’s rate position should improve again when the power supply contract with Guzman Energy takes effect and provides for stable rates.

Walch noted that the most interesting point of the study is that for the first time in anyone’s recollection, Xcel’s retail residential rates are higher than Grand Valley Power’s residential rates. He said that GVP has achieved this milestone while enhancing the cooperative’s performance, providing competitive wages to employees, and actively supporting our mission.

MOTION: Motion by Sandeen-Hall second by De Young to approve the CEO report; unanimously carried.

VII. Consent Agenda

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

VIII. Establish Date, Time, and Venue for 2025 Annual Membership Meeting

Walch shared that the Colorado Mesa University Meyer Ballroom is available for the 2025 GVP Annual Meeting of the Members on August 7, the first Thursday in August. Walch said it is hard to justify looking at a venue other than CMU, which can accommodate the large number of members that the meeting has been attracting and has good audio-visual facilities and high-quality food service. He noted that Kent Singer of CREA has said that GVP’s annual meeting sets the Gold Standard for cooperative annual meetings. Walch suggested that GVP consider an additional member appreciation event for families and hold the annual meeting at CMU. Discussion ensued.

MOTION: Motion by Sandeen-Hall second by Gray to hold the Annual Meeting of the Members at 6:30 p.m. on Thursday, August 7, 2025 at Colorado Mesa University; unanimously carried.

IX. Review and Approve Resolution R24-08 Change in Authorized Signatories

Walch referred to Resolution R24-08 in the board packet, which changes authorized signatories to align with the new board officers.

MOTION: Motion by Mease second by Sandeen-Hall to approve Resolution 24-08 Change in Authorized Signatories.

X. Discuss Committee Assignments

Walch presented who served on each committee in the past year, the duties of each committee, and topics

each committee might address in the next year. Discussion ensued about the makeup of each committee and possible topics, including budget and audit report review by the Finance and Audit Committee, labor negotiations by the Compensation and Benefits Committee, attendance at board meetings by the Policy and Governance Committee, possible shared savings and Operation Roundup programs by the Member and Community Relations Committee, and CEO search activities by a possible committee of the whole.

President Woods asked for volunteers to serve on Board Committees. The Committees are:

- **Finance and Audit:** Jesse Mease, Kyle Coltrinari and Brian Woods
- **Compensation and Benefits:** Carolyn Sandeen-Hall, Jesse Mease, and Kyle Coltrinari
- **Policy and Governance:** Joseph Burtard, Gary DeYoung, Lindsay Gray, Janie VanWinkle, and Brian Woods
- **Member and Community Relations:** Joseph Burtard, Carolyn Sandeen-Hall, Lindsay Gray, and Joe Landini

Walch said that with the departure of Director Bill Rooks, Grand Valley Power needs to appoint one of three directors to serve on the Ute Water Subdivision board. He said that two positions are filled by President Woods and himself. Director Burtard volunteered.

XI. Attorney's Report

Web reported that Sarah Abbott is still available if Grand Valley Power needs to consult her for transition-related matters, but all other GVP legal matters have been transferred to her.

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

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

Executive session convened at 11:45 a.m.

Regular session reconvened at 1:07 p.m.

XIII. Director Reports on Conference and Training Activities

Directors Burtard, Woods, and Coltrinari noted that they had toured GVP substations with Mark Shaffer and thanked him for leading those.

XIV. Colorado Rural Electric Association Director's Report

De Young reported that topics covered at the CREA Board of Director's meeting included the net-metering working group, a *Colorado Country Life* magazine redesign, associate membership in CREA, and the effect of artificial intelligence and data centers on cooperatives. De Young said that CREA directors could not understand why it would be necessary to provide more data to the net-metering working group.

Walch said more detailed net-metering data must be shared to achieve reform of the net-metering statute. He added that GVP and a few fellow cooperatives would be happy to share more data; however, other co-ops have concerns about how the data would be used by the solar industry.

Walch reported that CREA is working to fill its Director of Government Relations position.

Sandeen-Hall reported that she participated in CREA's candidate interviews for candidates seeking election to the Colorado Legislature. The CREA group interviewed many candidates from both the Democrat and Republican parties, and all of them expressed support for wildfire liability cap legislation. Many also expressed

that they oppose state-imposed rules and regulations that impede cooperative activities.

Walch said Grand Valley Power has been asked to provide a CARE auction item and is considering an experience package that would include lodging in the Grand Valley and a wine tour on JR's Carriage Service.

XV. Western United Electric Supply Director's Report

Mease reported that Western United's sales are up 20% over last year. He noted that the backlog is still significant and that most of it is direct ship. He said direct ship makes up 47% of sales for a backlog of \$150 million. Mease said that transformer lead times are not expected to increase unless something changes in the market.

XVI. Continuing Business

None.

XVII. New Business

None.

XVIII. Adjourn

MOTION: Motion by Landini second by De Young to adjourn; unanimously carried.

Meeting adjourned at 1:35 p.m.

Rita Sanders, Assistant Secretary

Brian Woods, President