

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

Regular Meeting

January 22, 2025

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 January 22, 2025 at 845 22 Road, Grand Junction, Colorado. President Brian Woods called the meeting to order at 9:06 a.m. Attendees recited The Pledge of Allegiance.

ROLL CALL:

Joe Burtard	present
Kyle Coltrinari	present
Gary De Young	present virtually
Lindsay Gray	present
Joe Landini	present
Jesse Mease	present
Carolyn Sandeen-Hall	present
Janie VanWinkle	present
Brian Woods	present

Others present: Tom Walch, CEO; Joseph Michalewicz, Chief Financial Officer; Mike Kansgen, Director of Information Technology; Rita Sanders, Director of Marketing & Communication; Bill Barlow, Operations Manager; Walter Fees, Acting Engineering Manager; Sarah Wheeler, Controller/Benefits Administrator; Tonya Archuleta, IT Applications Analyst; Kobi Webb, Attorney.

II. Approve Minute Record of December 19, 2024 Regular Board Meeting

MOTION: Motion by Sandeen-Hall second by Gray to approve the minutes of the December 19, 2024 regular meeting; unanimously carried.

III. Approve Agenda

MOTION: Motion by Janie second by Coltrinari to approve the agenda; unanimously carried.

IV. Guests and Public Comments

Guests present: Rick Nisley of Atlasta Solar Center, Tyler McDermott of Western Colorado Alliance for Community Action, and GVP member Rachel Showalter of the Plateau Valley Times, Collbran.

V. Staff Reports

Walch reported Grand Valley Power's SAIDI (System Average Interruption Duration Index) for 2024. He said Grand Valley Power's average outage time in 2024 of 94.3 minutes per consumer is a good number, but the cooperative's goal is to be under 60 minutes of average outage time. Walch said that Grand Valley Power has a robust system, and crews quickly respond to outages. Still, issues beyond the cooperative's control, including weather, trees, human-caused and power supply outages, impacted member households in 2024. Walch said Grand Valley Power will step up vegetation management to help prevent outages. Directors discussed the causes of outages, including the impact of birds and animals on equipment and substations.

Walch said Human Resources facilitated a review of GVP's pension benefits for all employees.

Information Technology – Kansgen reported that IT is working toward meeting the second set of 10 goals for RC3 Standards. RC3 is a joint program sponsored by NRECA and the Department of Energy promoting cybersecurity at rural electric cooperatives. The department is also working to make it easier and more secure for employees to log in to systems using multi-factor authentication and biometrics. Additionally, IT is preparing for a virtual server upgrade and is seeking feedback on cyber security training to determine what works for the board and employees.

Operations – Barlow reported on recent outages, including four in December caused by equipment failure. He also reported that Grand Valley Power will take delivery today of three used trucks to replace a digger, a big bucket truck, and a small bucket truck.

Walch said buying used vehicles is a significant development for Grand Valley Power because it is a departure from how the cooperative has typically managed its fleet replacement program. Grand Valley Power has had difficulty replacing end-of-life vehicles due to supply chain issues. The cooperative decided to explore purchasing used vehicles from a branch of Altec that specializes in these sales. Walch said the vehicles have been vetted by mechanics and are in good shape with fewer than 60,000 miles each. He said Grand Valley Power will see significant savings over buying new vehicles. Walch said if the vehicles perform as anticipated, this could change the way the cooperative manages its fleet.

Barlow said among the used vehicles being delivered is a bucket truck that will replace a service truck that recently experienced a catastrophic motor failure.

Walch reported that as of today it has been six years since Grand Valley Power's last lost-time accident. Walch commended employees and leadership for their efforts to maintain a safe work environment. He said that we can be doing everything right, and yet accidents can still happen. Everyone recognizes that we cannot be complacent about safety.

Billing – Walch said the cooperative has completed the billing cycle conversion. Archuleta said Grand Valley Power consolidated consumers on Cycle 2 into Cycle 1, which means all consumers will be billed for an entire calendar month rather than some consumers receiving a bill for consumption spanning two partial months. The conversion meant that consumers on Cycle 2 received one bill for half of November and then another December bill for that full month's consumption. The change will help the cooperative realize efficiencies and provide better alignment with regards to power cost adjustments, rate changes, and other billing activities. Archuleta reported that the cooperative sent several communication pieces to members during the process and member support representatives answered a few phone calls from those who wanted more information or needed to change their automatic bill pay date. Member support took advantage of the cycle change to register members for SmartHub, allowing them to see past bills.

Walch shared that an NISC miscommunication occurred during the Cycle conversion when some members' accounts were charged before the date anticipated. That was immediately corrected.

Walch noted that the conversion impacts financial margins for November as Cycle 2 revenue received in December was recognized as November revenue in the past. Beginning in December 2024 this revenue will be recognized in December.

Human Resources – Walch said Grand Valley Power is in the process of a management staff reorganization. A status update will be presented in executive session.

Walch said Derek Elder and Destry Smith are on their way to Denver for a COSSA (Colorado Solar and Storage Association) conference this afternoon. They've been asked to present on issues that Grand Valley Power has experienced with rogue, door-to-door solar installers who use high pressure sales tactics. Walch said Smith has been promoted to Energy Services Supervisor and the cooperative has

posted an opening for an Energy Services Technician. He said the technician will have responsibility for working with members through the distributed generation interconnection process and providing energy audit services, while Smith will supervise and support this function and take on added responsibility for grant administration. Walch said Grand Valley Power has seen a decrease in the number of solar installations in the past year (200 in 2024 compared to more than 300 in 2023). This kind of slowdown is not unusual during a general election year.

Finance – Michalewicz reported on grants. He said that the Aspen Park Project on the Grand Mesa has been approved for a 75% matching grant at \$164,683 from the Colorado Energy Office. He said the cooperative anticipates receiving approval letters and will begin ordering equipment. The project will underground 3/4 mile of line on private land. All the work will be done in house.

With respect to the Mesa Lakes WARN grant, Michalewicz reported that GVP has submitted what is needed for NEPA requirements through the Department of Energy (DOE). We have been advised that Grand Valley Power's NEPA submission to the DOE should also be accepted as a categorical exclusion to Interior Department requirements. If accepted by the Forest Service, Grand Valley Power anticipates timber removal and other aspects of the Mesa Lakes undergrounding project could begin this summer. Grand Valley Power will meet with stakeholders, including utilities, residents, and townships, in accordance with our Community Benefit Plan. Directors discussed timber removal and the undergrounding of 4.1 miles of existing overhead powerlines.

Michalewicz also indicated that Grand Valley Power has signed a contract for a \$10 million New ERA grant with the US Department of Agriculture (USDA). The cooperative will use the funds to purchase renewable energy from the Garnet Mesa Solar agrivoltaics facility under development in Delta County.

Walch said the Grand Junction Sentinel published an article about the New ERA grant. It reported that GVP consumers will benefit directly from cost savings of more than \$700,000 per year over 15 years beginning in 2028. The purchased energy will cover 40% of Grand Valley Power's residential power requirements. It is enough energy to power 6,600 homes and puts the cooperative on track to meet 100% of its consumers' energy needs with renewable resources. The grant will also provide for Western Slope jobs and enhance resiliency. Walch has received questions about whether GVP is concerned the grant will be pulled back under the new administration. Walch shared a Reuters article that said grants awarded with signed contracts should be secure because the money has already been obligated. According to the RUS, it would take congressional action to withdraw obligated grant funds. Walch commended employees, including Joe Michalewicz, for working on the cooperative's New ERA grant application since its initial submission and stepping in to fill the void when Matt Williams, who was originally the project lead, passed away suddenly. Directors discussed the details of the grant, the impacts the Trump administration could have on its award and expressed gratitude to staff for their efforts.

Walch congratulated Janie VanWinkle for her selection as the Livestock Producer of the Year at the Western National Stock Show in Denver.

Michalewicz provided a summary of the monthly financials and reported on the disconnects and write-offs. He said that the November financials are skewed due to the billing cycle consolidation, but going forward financials will be in synch. Michalewicz noted that the delinquent accounts for the year are less than half of what they have been in the past. This is the lowest result in decades for GVP.

Communications – Sanders reported that the Member and Community Relations Committee met to review applications for Grand Valley Power's Youth Tour and Youth Camp Programs and would report selections later in the meeting. This year GVP received applications from five students. Sanders also noted that scholarship applications are due March 1. Additionally, communication sent the first quarterly email to members in December, and the next one will be sent out in the first quarter of 2025. Sanders shared that Grand Valley Power will participate in the Mesa County Safety Fair on February 26 and 27. Finally, she noted that communications will take a board photo before the February meeting and video B-roll of board deliberations during the meeting.

VI. CEO Report

Safety Update – Walch reported on recent safety milestones and efforts. He said that Grand Valley Power has worked to build a safety culture from the ground up. Employees are invested in training and education and reinforce safety practices. Walch said this method has led to significant changes over the last 10 years. One component, regular confidential employee surveys, has been an effective way to highlight areas that Grand Valley Power needs to address regarding safety. National statistics reveal contact incidents have increased, and Grand Valley Power is fortunate to have not had one for a long time. Last week, safety leaders from NRECA, CREA, and Federated Insurance were on hand at GVP to administer GVP's Commitment to Zero Phase 2 safety program, including a confidential survey. The representatives met with crews without management present to encourage honest feedback. Walch shared results of the survey and feedback from the representatives, who said that Grand Valley Power has a strong safety culture. It was apparent that during outage restoration GVP prioritizes safety first, followed by speed of restoration. Walch said the cooperative continues to fight complacency and encourages communication between crews and leadership.

Distributed Generation – Walch provided information about Grand Valley Power's true-up process for distribution generation. He explained that under the current process, Grand Valley Power buys a portion of banked kWh from net-metering members who have more than 4,000 off-peak or 400 on-peak kilowatt-hours banked as of April 1 each year. Walch said Colorado distribution co-ops have wide latitude in how to reconcile banked kWh usage, and most buy kilowatt-hours all banked kilowatt hours at avoided cost. Prior to 2013, Grand Valley Power bought all banked kWh as of December 31 at avoided cost. The cooperative changed the buyback date to April 1 to allow members to use banked kWh during the winter months and allow for some kWh to be retained. The change reduced GVP's administrative costs by not having to mail as many true-up checks.

Walch said that with the growth of distributed generation on the cooperative's system, administrative costs are no longer reduced significantly and may not justify the cost shift caused by this reconciliation method. He recommends the board look at the true-up process and determine if it should be changed. One concern is that if banked hours are not bought at avoided cost, members could carry them over and use the banked hours to offset the full retail cost of their electricity use. Walch said when net-metering members use their banks to offset the full retail cost of their electricity, it shifts costs to other consumers. Walch led a discussion of Grand Valley Power's tariff for the reconciliation of annual excess generation for interconnection customers. Directors asked staff to provide additional data, and report further at the next board meeting.

Legislative Update – Walch noted that in addition to what is in the board report, the legislature's main challenge will be to fund its initiatives. Walch provided information about how data center development will likely be limited in Colorado because of the state's efforts to reduce greenhouse gases. He said data centers require affordable, abundant power, which isn't ideally sourced from solar and wind. The siting of data centers in western Colorado is unlikely, he said, because building additional transmission lines to wheel the electricity across the Rocky Mountains would be cost prohibitive. Walch also shared about the growth of artificial intelligence (AI) and how it might be used in the future to support cooperative operations. He has recommended to staff that they start cautiously experimenting with AI.

MOTION: Motion by Mease second by Landini to accept the CEO report; unanimously carried.

VII. Consent Agenda

MOTION: Motion by Sandeen-hall second by Coltrinari to approve the consent agenda items; unanimously carried.

VIII. Member and Community Relations Committee Report

Director Sandeen-Hall shared that the Member and Community Relations Committee met and reviewed applications from five students who met the criteria to participate in Grand Valley Power's summer Youth Programs. Four applicants requested the Washington, D.C. Youth Tour as their first choice, and one selected

the Cooperative Youth Leadership Camp as her first choice. Applicants were evenly spread across the GVP service territory. For the Washington D.C. tour the committee selected Jonathan Overbye, a senior at Fruita Monument High School (FMHS) who showed significant interest in the political system and elections and volunteered with the OWL program. For Youth Leadership Camp, the committee selected Madison Shaver, a junior at FMHS who loves the outdoors and selected the camp as her first choice, and Hunter White, a junior from Plateau Valley High School. The committee also chose Hunter White as an alternate for the Washington, D.C. tour and Andre Robles, a junior at FMHS, as an alternate for camp.

MOTION: Motion by Sandeen-Hall second by Mease to approve the three candidates to attend Grand Valley Power's youth programs for high school students; unanimously carried.

Sandeen-Hall noted that Lita Hill is stepping down from service on the Scholarship Selection Committee, and the communication team will be looking to fill that position with suggested members.

IX. Appoint Election Supervisory Committee

Walch reported that Election Supervisory Committee members who served in 2024 have agreed to serve again in 2025 and recommended that the board appoint committee members: GVP's general counsel from Ireland Stapleton; a representative of the accounting firm Chadwick, Steinkirchner, Davis & Co.; and cooperative member Mike Wells of Loma.

MOTION: Motion by Mease second by Sandeen-Hall to re-appoint the 2024 members of the Election Supervisory Committee for 2025; unanimously carried.

X. Approve 2025 Board Calendar

Walch presented the 2025 Board Calendar. He noted that the November meeting has been moved to the second Wednesday of the month, November 12, due to schedule conflicts.

MOTION: Motion by Landini second by Sandeen-Hall to approve the 2025 Board Calendar; unanimously carried.

XI. Approve 2025 Management Objectives

Walch shared the 2025 Management Objectives and Development Opportunities with Director Coltrinari's suggestions to include evaluation of operational programs for maintaining secondary line and addressing idle services.

MOTION: Motion by Gray second by De Young to approve the 2025 Management Objectives and Development Opportunities; unanimously carried.

XII. Attorney's Report

Webb said that legal issues would be covered in executive session.

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

MOTION: Motion by Coltrinari second by Gray 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 12:28 p.m.

Regular session reconvened at 2:13 p.m.

MOTION: Motion by Sandeen-Hall second by Coltrinari to enter an agreement with Great Co-ops for the

purpose of conducting an executive search; unanimously carried.

XIV. Director Reports on Conference and Training Activities

None.

XV. Colorado Rural Electric Association Director's Report

President Woods led discussion related to potential wildfire mitigation legislation. Walch noted that CREA does not plan to propose bylaw changes related to associate membership but may address it in the future.

XVI. Western United Electric Supply Director's Report

Mease reported that Western United sales have increased, and long lead times have started to decrease.

XVII. Continuing Business

None.

XVIII. New Business

None.

XIX. Adjourn

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

Meeting adjourned at 2:22 p.m.

Rita Sanders, Assistant Secretary

Brian Woods, President