

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

Regular Meeting

March 19, 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 Wednesday, March 19, 2025 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	absent
Jesse Mease	present
Carolyn Sandeen-Hall	present
Janie VanWinkle	present
Brian Woods	present

Others present: Tom Walch, CEO; Derek Elder, Chief Operating Officer; Joseph Michalewicz, Chief Financial Officer; Mike Kansgen, Director of Information Technology; Rita Sanders, Director of Member Services & Communication; Bill Barlow, Manager of Operations; Walter Fees, Manager of Engineering; Lauren Phelps, General Accountant; Ryan Roesch, GIS Analyst; Tanya Marchun, Communication Specialist; Kobi Webb, Attorney.

II. Approve Minute Record of February 19 Regular Board Meeting

**MOTION:** Motion by VanWinkle second by Sandeen-Hall to approve the minutes of the February 19, 2025 regular meeting.

Director De Young requested an amendment to the minutes to remove a statement regarding a “net-metering cost shift” from the minute record of the Energy Services staff report, as De Young said no facts were presented to identify a cost shift.

Walch offered that the minutes are a record of what was said during the meeting and noted that there was no discussion during the meeting questioning whether there was a cost shift. He deferred to Webb, GVP’s attorney, for her opinion.

Webb said the minutes should reflect what was discussed during the meeting. She said clarifying questions or comments could have been made at that time. To attempt to do so a month later, when the minutes are up for approval, could cause problems.

Discussion ensued. Director Coltrinari said if the minutes omit something that all directors recall then it should be added, but that differentiating between factual and nonfactual comments a month later would be difficult.

President Woods asked for additional thoughts. He said the motion is to accept the minutes as presented. De Young moved to amend the minutes to delete the reference to a cost shift. The motion failed for lack of a second. Woods called for a vote on the motion, which passed 7-1 with De Young opposed.

### III. Approve Agenda

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

### IV. Guests and Public Comments

Present: Isaac Ketcham, Atlasta Solar representative and a member of a household served by Grand Valley Power; Pasquale Verrastro, member from Orchard Mesa; and Tyler McDermott of Western Colorado Alliance for Community Action. McDermott expressed his interest in following the board meetings for his reports to members of the Western Colorado Alliance for Community Action.

Walch reported that President Woods responded to an email he received from a member who expressed disappointment in the cost of electricity during on-peak hours. No further comment was received from the member.

Directors discussed Xcel Energy's installation of smart meters in Grand Junction and the company's implementation of time-of-use rates. Walch said Xcel is hearing the same concerns about the alleged health impacts and compromised privacy associated with metering infrastructure that Grand Valley Power heard when it installed its enhanced metering system. Walch noted that regarding privacy, the meters are only capable of measuring electric consumption, and utilities do not know what is plugged in and driving that consumption. He also noted that according to health reports, the radio frequency transmission produced by enhanced meters is a fraction of what a person is exposed to with cell phone usage.

### V. Staff Reports

Walch asked the board to observe a moment of silence in remembrance of Grand Valley Power retiree Pat Kanda who passed away this week. Kanda, a financial guru and former Finance and Accounting Manager, presented scores of financial reports, forecasts and budgets to the GVP board and deserves much credit for the sound financial shape that Grand Valley Power is in. Additionally, Congressman Jeff Hurd will read comments about Kanda into the Congressional Record, which will be in the National Archives in perpetuity.

Walch reported a recent near miss at the Adobe substation that was prevented by two apprentices, Branson Padgett and Linda Schroder. Walch shared that in preparation for maintenance and switching, a crew had labeled breakers the day before scheduled work at the substation. On the day the work was to be performed, two apprentices, a lineworker at the substation and a systems operator in dispatch, recognized that something wasn't correct with the labeling, and immediately reported it to their supervisors. Walch said it is a testament to the safety culture at Grand Valley Power that two of the newest employees felt comfortable speaking up, and that their supervisors were confident enough to listen to and investigate their concerns. Walch said that Operations Manager Bill Barlow, Operations Supervisor Mark Shaffer and Safety Coordinator Joe Foster deserve a lot of the credit for developing the cooperative's safety culture.

Walch said that Foster, an employee of White River Electric who has served GVP for seven years under a shared service agreement with that cooperative, has decided to leave his position. Walch said Grand Valley Power will hire a new safety coordinator and is considering a revised shared services arrangement with White River as it looks to fill this position.

Operations – Barlow commented that he is proud of how the crews handled the Adobe substation situation. Directors discussed the near miss.

Engineering – Fees provided an update on the Highline substation expansion project. He said he is impressed with the efficiency of the contractors installing foundations, burying conduit, and preparing for the expansion. Fees invited directors to tour the site.

Fees introduced Ryan Roesch, Grand Valley Power's GIS Analyst, who provided a presentation showing how Grand Valley Power is using drones to maximize the efficiency and accuracy of operations. Grand Valley Power is using drone technology to conduct pole and substation thermal inspections, to capture orthographic imagery, to assist in mapping, and for marketing and communication. Roesch said the cooperative is exploring how drones could be used during outages to more efficiently find causes. Walch noted that Roesch's efforts showcase the utility's commitment to improving operations through technology and added that the cooperative has hired an industrial drone to pull a lead rope across a 600-foot creek bed to help bring electricity to Twin Peaks Bible Camp near Collbran. Using a drone will cost half of what it would have cost to employ a helicopter. Directors requested that the cooperative use GIS and drone imagery to help the board and membership gain a better understanding of Grand Valley Power's distribution system.

Elder reported that several lineworkers will present at the April board meeting about the Echelon Front leadership training they attended in February. Elder said six employees will participate in an LDR leadership training next week at Grand Valley Power with employees from other nearby cooperatives also in attendance. Elder reported that he went to NRECA's TechAdvantage in Atlanta. He said one of the best sessions showed how Dairyland Power Cooperative in Wisconsin is using artificial intelligence (AI) to assist with communication and remote site inspections.

Elder also said he served as chair for the recent Club 20 Energy Policy Committee meetings, where discussions centered around Colorado House Bill 25-1040, which adds nuclear energy as a clean energy resource in Colorado.

Director De Young asked what challenges Elder has experienced in his new role as Chief Operating Officer. Elder noted that the administrative side of the position is heavier than he anticipated, and his goal is to remove obstacles that are in front of the great employees in the department so that they can complete their work. In addition, he also is examining the goals of the department, where it needs to be in two to five years, and what needs to be done to get there.

Director De Young requested that the distributed generation report have the date of the report added to it.

Member Services and Communication – Sanders reported the results of the 2024 Member Satisfaction survey. She said in 2024, members ranked Grand Valley Power's quality of service 4.84 out of 5 stars, a high mark comparable to previous years. To collect the data, the communication team sends a postcard with satisfaction questions to consumers after the completion of a new service connection, service work or an engineering job. Sanders invited directors to attend Scott Bradley's retirement celebration on March 27 at Grand Valley Power and noted that Lineworker Appreciation Day is April 18.

Sanders reported that the number of applications for Grand Valley Power's scholarships doubled this year, and introduced Communication Specialist Tanya Marchun to share the 2025 scholarship winners: Jack Broughton-CMU: Garrett Draper, homeschool; Matt Williams STEM: Siena Guzman-Newton, Palisade High School; Grand Valley Power Scholarships: Lynessa Asplund, Palisade High School; Lia Bunnell, Grand Junction High School; Karyssa Daugherty, Central High School; Lucas Lopes, Palisade High School; Callie Mitchell, Fruita Monument High School; Jonathan Overbye, Fruita Monument High School; CMU Tech Scholarship: Payton Wilkerson, Plateau Valley High School; Washington, D.C. Youth Tour: Jonathan Overbye, Fruita Monument High School; and youth program participants: Youth Leadership Camp: Madison Shaver, Fruita Monument High School; and Youth Leadership Camp: Hunter White, Plateau Valley High School.

Marchun said the Communications Department will provide information to directors in the coming weeks about the dates of the high school awards ceremonies. Directors are asked to participate in the presentation of scholarship certificates at these functions. She noted that the deadline for the Electric Lineworker Scholarship applications is June 1.

Finance – Michalewicz provided a summary of the monthly financials and reported on the disconnects and write-offs. He noted that margins were higher in January than is typical due to residential consumers who increased their energy use during the cold weather. He said that as of this time, the cooperative has not received notification of any significant fuel cost adjustments from Xcel. Directors discussed margins and the impacts of weather on load factor.

Michalewicz said he anticipates that GVP will reach an active meter count of 20,000 in May or June. Directors noted that line loss exceeded 5% in January. Director Mease noted that line loss has declined from 7.5% at the beginning of his tenure. Directors discussed what could contribute to line loss, including fluctuations in energy usage, long radial lines, equipment issues, and distributed generation.

Michalewicz reviewed cash flow and anticipated expenditures considering the Highline substation expansion and upcoming grant work. He said the cooperative could be required to borrow money this summer to cover the material and construction costs of projects. Directors discussed the implications of borrowing in the current economic climate.

Director De Young requested that the disconnects be provided in a format that shows trends. Michalewicz indicated that historical data would be provided in the future to help directors recognize trends.

Information Technology – Kansgen reported that IT installed a new computer in the boardroom to resolve technical issues that occurred during last month's meeting, and they are scheduling audio work soon. He said that cabling will be installed in the next few weeks to accommodate a backup Internet solution.

## VI. CEO Report

Grant Update – Walch reported that grant funding for the Aspen Park project has been released through the Colorado Energy Office. He noted that the project must be completed this year. The cooperative won't receive the materials until July; however, Walch anticipates crews will complete the work this summer.

Walch said Grand Valley Power also received information that the WARN grant will be released to the consortium of 38 cooperatives by the U.S. Department of Energy. Grand Valley Power is waiting for a revised contract for its portion, the Mesa Lakes project. He said the contract no longer contains DEI requirements. Walch reported that unfortunately, the project's costs have increased. He said that because the federal contribution is capped, Grand Valley Power must pay for the additional costs.

Directors discussed the pros and cons of the project. Walch said the project will be done in a way that reduces wildfire risk. He said the NEPA process is streamlined because the grant has been given a categorical exclusion. Michalewicz said the project must be completed by 2028, and the cooperative already has companies interested in removing the timber. Walch asked if directors had any objections to moving forward with the project if the cost is less than \$7 million. None were noted.

Walch said he traveled with a Colorado contingent of cooperative leaders to meet with lawmakers on Capitol Hill about the New ERA funding. He said although the funding is still paused, the meetings went well and were productive. He said Congressional representatives were generally supportive of the grants, and that the NRECA will lead efforts to advocate for the funding to be released with a letter-writing campaign. Walch reiterated that Grand Valley Power's New ERA grant project, the Sunny River Renewables project, does not have any DEI components and will help unleash American energy through the purchase of locally generated power. He said the project is farmer friendly, will increase reliability and resiliency, and reduce energy costs for rural Americans on Colorado's Western Slope. Walch said Grand Valley Power has already committed to buying the power and could be forced to purchase it elsewhere at a higher cost if the grant is not released. Walch said he is still cautiously optimistic about the grant.

Legislative Report – Walch reported that the proposed bill limiting utility disconnections for non-payment was

defeated and described the advocacy efforts of Grand Valley Power and CREA in opposition to the bill. Walch said the bill restricting employers from requiring employees to work during periods of temperature extremes has been temporarily postponed, but cooperatives are watching it as it could still advance.

Staffing Update – Walch noted that GVP has two new employees coming on board in the next couple of weeks: Chance Semones, energy services technician, and Wyatt Vidmar, engineer. Walch said the cooperative is working on an updated job description for the line patrolman position and will post the position after Scott Bradley retires at the end of March.

Walch said the auditors are ahead of schedule compared to past years, and the audit's acceptance could be on the agenda at the April board meeting. He said if everything is in order, the cooperative will schedule a meeting of the Finance and Audit Committee before the board meeting to hear the Auditor's Report, so that it is in position make a recommendation on acceptance of the audit.

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

#### VII. Consent Agenda

**MOTION:** Motion by Mease second by Coltrinari to approve the consent agenda items.; unanimously carried. Mease noted that he appreciated the information regarding the near miss in the safety reports.

Director De Young asked for more information about Form 219. Michalewicz provided that it is a report listing work orders that are capitalized and added into assets under utility plant. A detailed review of the report will be provided during an upcoming board meeting.

#### VIII. Member and Community Relations Committee Report

Director Sandeen-Hall said the Member and Community Relations Committee met to discuss a contribution request from the Confluence Center of Colorado for construction of its new building. The committee determined that the request is not closely aligned with GVP guidelines for contributions from its unclaimed patronage capital fund. Donations to causes that more broadly benefit Grand Valley Power members, rural interests, or educational programs are preferred. The committee recommendation is to not give a contribution to the Confluence Center at this time. Burtard said the committee would rather use funds to update Grand Valley Power's educational resources such as a new high-voltage demonstration table.

**MOTION:** Motion by De Young second by Mease to accept the committee's recommendation; unanimously carried.

Directors discussed the frequency of requests for charitable contributions at Grand Valley Power and in the community.

#### IX. Discuss Revision of Rules and Regulations to Add Line Extension Engineering Fee

Walch reported that Grand Valley Power frequently has members who explore electric line extension projects, requiring significant work on the part of GVP engineering staff, and then decide not to proceed. The cost for this work, which includes surveying and mapping services, is then picked up by the membership as a whole. He said Grand Valley Power does not currently charge a fee for the work that goes into determining the cost and viability of such projects before funds are collected.

Michalewicz said that in 2021, the cooperative fulfilled 230 such requests. He said the average line extension project costs a few thousand dollars, and most of them are subdivisions. He said it isn't unusual for service planners to perform \$12,000-\$17,000 in work each year on behalf of members who explore projects but then abandon them.

Walch said an analysis shows that the cost of engineering work for the exploration of extending a line averages \$300 per project.

Grand Valley Power staff recommend implementing a project fee of \$200 for this exploratory work. He said the cooperative does not want to discourage such projects but wants the requestor to have some responsibility for them. The fee would be applied to the cost of the project if the requestor moves forward.

Directors discussed how the fee compares to the \$350 distributed generation fee. Elder said distributed generation projects require more onsite work and follow through with other entities. Those projects are rarely abandoned.

The board agreed that staff should bring forward a proposed rule change for line extension engineering at April's board meeting.

X. Discuss Guidelines for Member/Public Attendance at Board Meetings

Walch stated that the purpose of cooperative board meetings is to conduct the business of the organization, and asked directors if they would like to consider guidelines for member and public attendance and comments at board meetings. He noted that Colorado law requires that meetings be open to members, the media, and the public to provide for transparency, but that the primary objective of the meeting is to conduct the business of the organization. He said the cooperative tries to conduct business in a timely manner, and he recommends having guidelines for managing comments. He noted that other organizations, including city, county and school governing bodies, have published rules for public attendance and comments. Walch suggested confining member and public comments to the public comment part of the agenda so the board can focus on its work. Directors discussed approaches to public comments and directed management staff to bring forward proposed guidelines.

**MOTION:** Motion by Sandeen-Hall second by Coltrinari to recess the meeting and reconvene in a meeting of the Executive Search Committee of the Whole; unanimously carried.

Meeting recessed at noon.

Meeting reconvened at 1:43 p.m.

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

**MOTION:** Motion by Mease 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 1:44 p.m.

Regular session reconvened at 2:53 p.m.

Director VanWinkle excused herself during executive session to leave for a prior commitment.

XII. Attorney's Report

Webb reported that key legal issues had been covered in executive session.

XIII. Director Reports on Conference and Training Activities

Director Gray said she would be attending NRECA's New Director Orientation conference in Arlington, Va.

XIV. Colorado Rural Electric Association Director's Report

President Woods said Taylor Ward is doing effective work as CREA's legislative connection. He provided an

update on CREA's efforts to move its headquarters, the search for a CEO, policy changes, and the safety program.

Walch shared that CREA's Kent Singer provided effective support for the group of Colorado cooperative managers who went to Washinton, D.C. to meet with key legislators and administration officials regarding reinstatement of previously committed grant funds.

XV. Western United Electric Supply Director's Report

Director Mease reported that Western United is doing well. The cooperative opened a branch in Tucson, Ariz., and is considering moving into parts of New Mexico and Texas, which have historically been underserved.

XVI. Continuing Business

**MOTION:** Motion by De Young second by Sandeen-Hall that a bill credit be used to purchase excess power generated by distributed generation members and that a check only be sent when the total credit exceeds annual connection fees.

Director De Young said that Grand Valley Power could save the costs of processing and mailing settlement checks to distributed generation members by handling it as a bill credit.

Walch said that often the cooperative uses a physical check as a messaging tool. Historically the board has approved paper checks for patronage capital payments. This reinforces the fact that the individual is a member of the cooperative and by virtue of being a member they receive economic benefits such as patronage capital checks. Walch said that if distributed generation customers get a bill credit, they are not as likely to see the recurring grid connectivity charge on their statement. He emphasized that it is important for these members to see this charge on their bills every month, as it is a reminder of the costs of the distribution system that they rely on for net metering purposes.

Elder said that along with the true up check, distributed generation members also receive in the same envelope an explanation of the true up process and what their kilowatt hour bank balance will show next month. He said the letter provides detailed information so consumers can track their account activity.

Woods called for a vote on the motion, which failed 1-5. Director Coltrinari thanked De Young for the research that he put into his request and said that he understands the value that the cooperative gets from sending a paper check.

XVII. New Business

Walch asked the board if leadership should contact a consultant for a compensation analysis for management staff and union negotiations. Directors agreed that a consultant should be contacted.

XVIII. Adjourn

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

Meeting adjourned at 3:08 p.m.

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Rita Sanders, Assistant Secretary

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Brian Woods, President