

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

Regular Meeting

July 15, 2020

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, July 15, 2020 at 845 22 Road, Grand Junction, Colorado. In order to comply with COVID-19 social distancing guidelines, the board meeting utilized audio and video platforms allowing remote participation by directors, staff members, cooperative members and the public at large. President Sandeen-Hall called the meeting to order at 9:00 a.m. Attendees recited The Pledge of Allegiance.

ROLL CALL:

Don McClaskey	present
Robert Saunders	present
Sylvia Spangler	present
Janie VanWinkle	present
Dennis Haberkorn	present
Rod Martinez	present
Bill Rooks	present
Carolyn Sandeen-Hall	present
Jesse Mease	absent

Others present: Tom Walch, CEO; Derek Elder, Corporate & Member Services Manager; Christmas Wharton, Communications Manager; Matt Williams, Engineering Manager; Gary Billiet, Purchasing and Warehouse Manager; Pat Kanda, Finance Manager; Sarah Wheeler, Benefits Administrator; Bill Barlow, Operations Manager; Karen Allen, Information Technology Manager; Tonya Archuleta, Applications Analyst; Gregg Kampf, Attorney; David Doder, Attorney.

Minutes:

Kampf noted that the Attorney's Report section in the June 17, 2020 minutes stated, "a phone conference is scheduled tomorrow with Charter Communications" and requested that it be changed to "a phone conference is scheduled tomorrow regarding Charter Communications".

MOTION: Motion by Saunders second by Haberkorn to amend the June 17, 2020 minutes to include Kampf's change and approve the minutes of the June 17, 2020 regular meeting; carried.

Walch requested the agenda be amended to include an Executive Session to discuss amending the Organizational Chart to include a Communications Specialist position.

MOTION: Motion by Martinez second by McClaskey to approve the agenda as amended; carried.

I. Guests and Public Comments

Walch introduced Bert & Susan Long who are on-site collecting footage for the virtual annual meeting video.

II. CEO's Report

Staff Reports

Kanda presented the financial reports. McClaskey inquired about the line loss statistics once the Enhanced Meter installation was complete. Walch noted that the rolling 12-month line loss is tracked in the monthly board report and shared that staff could identify the completion date for the Enhanced Meters to more easily track reductions in line loss attributable to Enhanced Meters.

Kanda provided an update on capital credit checks mailed to members in December. Kanda noted that to date \$806,000 has cleared the bank in capital credit checks and \$30,000 was applied to active accounts due to checks not being cashed. Kanda noted that the remaining unclaimed portion is lower than previous years. Kanda also reported on the Payroll Protection Plan loan and noted that GVP has not drawn funds from the loan to date. Kanda shared that SBA guidelines provide loan forgiveness for funds used to cover payroll and benefits if the employer maintains full-time employees and salary levels at pre-COVID-19 levels. Sandeen-Hall inquired about the forgiveness process. Kanda noted the forms are filed with the lender for approval. Walch noted that GVP will track losses associated with COVID-19 and report monthly to the board. Walch noted that all employees were paid for full-time work even though some were not working during their period away from the office. VanWinkle asked about the time staff is spending tracking. Walch noted that employees will not be burdened with the tracking and will prioritize daily tasks over tracking requirements. Kanda noted the auditors have looked at the loan and are providing direction regarding the reporting requirements of the loan on the financials. VanWinkle agreed that businesses who follow the rules and guidelines, should participate in everything available to them to help local communities and the economy.

Barlow reported on an outage in the Paradise Hills neighborhood that included about 40 members, including GVP Board Member Martinez. Martinez shared his experience during the outage. Martinez thanked the crews for the quick response and great customer service that was provided. Martinez shared that eight neighbors expressed appreciation for the time that the linemen took to communicate with members during the outage. Barlow reported on an outage along 30 Road where a tree fell through secondary lines and broke a pole. Barlow shared pictures of six poles near Vega Reservoir that are being compromised due to bears using them as scratching posts. Barlow reported on a site visit to GVP recently performed by Federated Insurance. Federated complimented GVP for their safety record. Federated shared fire mitigation plans and GVP is implementing best practices relating to fire mitigation. Sandeen-Hall shared her appreciation with GVP crews who responded to an outage in the Arrowest commercial subdivision.

Allen reported on the current status of server hardware. Current server hardware is six years old. Allen noted that 25% of the cost is licensing associated with the hardware. Allen reported that Archuleta is working with the CSRs to improve efficiencies using NISC software.

Williams reported on the request for service that GVP received from a developer that is working on a new subdivision in Xcel's territory. GVP contacted Xcel Energy and submitted a request for territory swap to serve the subdivision. Walch noted that due to COVID-19, a response to the request may take longer than normal.

Billiet provided an update on the asphalt in the warehouse yard and parking lot in front of the building. Billiet noted that the original estimate to repair the asphalt was \$250,000. Billiet provided a second estimate that prioritizes the problem areas and recommends a staged approach in repairing the areas over the next couple of years to help reduce budgetary impacts. Billiet noted that the costs to GVP this year would be \$45,000. Haberkorn asked how much of the roadway approaching the gate is considered compromised. Billiet noted that most of the roadway approaching the gate is compromised. Haberkorn asked if the staged approach will cost more money in the long term. Billiet noted that staff will evaluate multiple options. Rooks asked staff to evaluate the water table conditions so that GVP can address any underlying issues. Rooks noted that the water table was a big part of the original study during construction. Walch asked Haberkorn and Rooks to work with Billiet to address the asphalt issues and provide recommendations. Billiet asked if GVP could move forward with filling the cracks in the asphalt. Consensus of the board was to move forward with the crack filling.

Wharton informed directors that the GVP annual reports were mailed out to members on July 14 and that ballot packets are scheduled to be mailed beginning on July 16. Wharton updated directors on annual meeting preparations. Wharton informed directors that the Rocky Mountain PBS Fun Fest event is still being held on July 25 as a drive-thru event. Wharton stated that GVP developed a virtual scavenger hunt that identifies electrical hazards around the house for the drive-thru event to be hosted from July 25 – August 8. Wharton provided an update on GVP's Hometown Relief Fund. Wharton reported that \$21,200 has been awarded to GVP members who have been impacted by COVID-19.

Elder noted that the Election Supervisory Committee will oversee the tabulation of ballots for the director election on Friday, August 7 at 8:30 a.m. in GVP's boardroom. Elder indicated that all director candidates have been invited to observe the tabulation of ballots. Elder provided an Accounts Receivable update. Elder noted that GVP continues to see a higher than average number of accounts falling 60-90 days past due. Elder reminded directors that the Governor's executive order providing a moratorium on disconnects for non-payment expired in June. Elder shared GVP's plan to resume disconnects for non-payment stating that GVP will work with members who contact them and provide options that may allow the member to keep their lights on. Elder shared plans to resume disconnects following the due date identified on member bills sent in August. Elder reviewed GVP's plan to help transition members to PrePay who have fallen behind on their bill. Elder shared the benefits for all members through the promotion of PrePay metering. Elder noted the program will be identified as the Forward Fund Recovery Plan and provide options and assistance for members who sign up for PrePay metering through the end of the year.

MOTION: Motion by McClaskey second by Saunders to approve the Forward Fund Recovery Plan; carried.

Sandeen-Hall inquired about the Governor's Executive Order that included a moratorium on disconnects and late fees for utilities. Walch stated that the moratorium on disconnects for non-payment expired on June 12 but noted the moratorium to charge late fees was extended through August 12.

Walch reported on the PUC ruling regarding Tri-State's exit fee calculation. Walch shared the results of the Great Co-ops survey results. Walch noted the results showed employee alignment with the mission scored high and employee satisfaction is high. Walch shared that employee satisfaction with compensation rated low. Walch noted that staff will address and work to improve communications and other issues identified from the employee surveys. Walch shared that the survey results identify a starting point for GVP and now it is up to GVP to act upon the results and work to improve workplace culture. Walch shared GVP's plans to improve communications and interact with employees.

MOTION: Motion by Haberkorn second by Spangler to approve the CEO report; carried.

MOTION: Motion by Haberkorn second by Martinez to approve the consent agenda items; carried.

III. Allocation of 2019 Margins

Walch updated the Board on GVP's 2019 Member Capital Allocation. Kanda noted the allocation notices will go out during the second week of August.

MOTION: Motion by Martinez second by Haberkorn to approve the allocation of 2019 margins totaling \$1,906,162.96; carried.

IV. Review and Approve 2019 Form 990

Kanda presented the 2019 Form 990. Kampf inquired if Gledhill should be identified on the 2019 Form 990. Walch noted that Gledhill did not make the high five for employee salaries and Kanda is considered the key employee and listed on the Form 990 due to his responsibility of managing cash for the company. Kampf asked

if GVP does any lobbying that should be reported on the Form 990. Walch noted that GVP funds are not used for lobbying. Walch shared that the IRS does not consider general advocacy on public issues and public policy a form of lobbying.

MOTION: Motion by McClaskey second by Martinez to accept the Form 990 for the year ended December 31, 2019 subject to clarification regarding Kampf's inquiry about lobbying; carried.

V. Executive Session

MOTION: Motion by Haberkorn second by Saunders to convene an executive session to discuss upcoming Union negotiations and review the organizational chart; carried.

Executive session convened at 12:40 p.m.

Regular session reconvened at 2:15 p.m.

MOTION: Motion by McClaskey second by Saunders to approve the parameters discussed during the executive session for union negotiations; carried.

MOTION: Motion by McClaskey second by Rooks to approve changes to the organizational chart to include a Communications Specialist position; carried.

VI. Attorney's Report

Kampf shared that his firm has been working with Kanda to review the provisions and requirements for forgiveness of the Payroll Protection Plan loan. Kampf noted that GVP is beginning to narrow discussions with Charter Communications regarding the pole attachment agreement. Kampf stated that his firm has been working with Wharton on the virtual annual meeting coupons for members who complete post-meeting surveys.

VII. CREA Report

Martinez shared an image of the portrait that GVP will be donating for the CREA auction this fall. Martinez noted that due to COVID-19, the auction will be hosted online and more information will be forthcoming. Martinez shared a close-call accident that was reported to CREA regarding a fire extinguisher that was accidentally discharged in the cab of a pickup. Martinez also shared the impacts to electric cooperatives in Northeast Colorado of a recent windstorm that broke over 600 poles. Martinez noted that the CREA report was included in the board report.

VIII. WUE Report

Haberkorn noted that the Western United Electric Board did not meet this month. Haberkorn stated that WUE is working on financials and preparing for budgeting. Haberkorn shared that a decision has not been made regarding an in-person or virtual meeting for August.

IX. Continuing Business

None.

X. New Business

Sandeen-Hall presented VanWinkle with her Credentialed Cooperative Director Certificate. Sandeen-Hall noted that the program consists of five courses that focus on basic governance knowledge and the essential skills required of cooperative directors. Sandeen-Hall and the other directors congratulated VanWinkle on her accomplishment.

MOTION: Motion by Haberkorn second by Spangler to adjourn; carried.

Meeting adjourned at 2:26 p.m.

Derek Elder, Assistant Secretary

Carolyn Sandeen-Hall, President