

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

Regular Meeting

September 16, 2020

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, September 16, 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
Sylvia Spangler	present
Janie VanWinkle	present
Dennis Haberkorn	present
Rod Martinez	present
Bill Rooks	present
Carolyn Sandeen-Hall	present
Jesse Mease	present
Joe Burtard	present

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; Joe Michalewicz, Controller; Sarah Wheeler, Benefits Administrator; Bill Barlow, Operations Manager; Mark Shaffer, Operations Supervisor; Karen Allen, Information Technology Manager; Tonya Archuleta, Applications Analyst; Gregg Kampf, Attorney; David Doder, Attorney; Jesse Peeler, CREA.

**MOTION:** Motion by Martinez second by Haberkorn to approve the minutes of the August 19, 2020 regular meeting; carried.

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

I. Guests and Public Comments

None.

II. CEO's Report

Walch reviewed the email he received from GVP member, Dan Birch, praising the customer service that he received from GVP employees. Walch noted that the culture to provide great customer service has been in place at GVP for decades. Walch noted that the recognition of one employee reflects positively on all employees who have helped instill the values across the organization.

Walch presented Sandeen-Hall with her Credentialed Cooperative Director Certificate.

Staff Reports

Operations – Walch introduced Jesse Peeler, CREA Job, Training and Safety Instructor. Peeler thanked the board and management for supporting the safety culture at GVP. Walch reviewed a near miss incident that recently took place in the field. Barlow shared that employees and all involved have reviewed the situation and all applicable policies and processes. The review identified additional

training that dispatchers and employees will go through to improve the processes. Barlow noted that the operations department has increased training and will continue to increase training for employees and dispatchers as training becomes available. Walch noted that the open and honest discussion has helped identify any deficiencies that may exist so the company can continue to improve the safety culture and move forward. Walch stated that while service and efficiency are important, the safety of the workforce will never take a back seat. Walch noted that it was the job of directors to continue to hold him accountable to keep safety as the most important principle and he in turn will hold staff accountable. Mease asked if the dispatcher training will extend to after-hours dispatchers at Delta Montrose Electric Association. Barlow noted that after-hours dispatchers are certified and GVP's training will fall in line with best practices. Martinez noted that directors should communicate the importance of safety both internally and externally. Peeler expressed appreciation to GVP for the open conversation and process in this matter. Peeler stated that GVP does not have a problem with safety culture; he feels it was a process breakdown and noted that GVP has taken the appropriate steps to remedy the situation.

Warehouse – Billet provided an update on the asphalt paving study results. Billet noted that Huddleston-Berry bored holes to study the compaction of the existing road base. Billet stated that preliminary results of the bore indicate that it will be necessary to reconstruct the roadway leading from 21 ¾ Road to the back gate. Billet noted that cold-patching can be done in five key areas to address the situation through the winter, so the roadway could be rebuilt during warmer weather in 2021. Walch shared ideas for access to the yard during reconstruction of the roadway. Haberkorn asked about turning radius issues for trucks accessing the yard. Billet noted that the roadway could be widened during the reconstruction process to improve turning radius and access. Billet reported that GVP received a patronage capital check from Western United Electric Supply. Billet noted that GVP will continue to increase the amount of material purchased from WUE when it is appropriate, as service is better, and patronage capital provides additional cost reduction. Walch noted that WUE runs deliveries on a regular schedule and provides great customer service. Haberkorn noted that WUE has increased its inventory to help cooperatives due to increased lead times resulting from the COVID pandemic.

Engineering – Williams shared that GVP recorded a new system peak of 58.225 MW on August 3. Williams discussed the increase in outage minutes on the SAIDI report due to the Pine Gulch fire.

Member Services – Elder reviewed the Past Due Accounts Receivable report and noted that members continue to get caught up on past due bills. Elder shared the disconnect for nonpayment figures for the month of August and thanked the Customer Service Representatives for working with members to help identify outside resources that could assist with bills.

Communications – Wharton updated the directors on the Hometown Relief Fund. Wharton noted that most applications have been submitted online. Wharton shared that Operation Interdependence will be the GVP community focus project for 2020. Wharton noted that fundraising opportunities will take place from September 11 through November 11 and GVP's goal is to raise \$6,000 for Operation Interdependence. Wharton provided a final report on the annual meeting, noting that 60% of the members who watched the virtual annual meeting redeemed the \$15 bakery coupon. Martinez noted that Glade Park members shared their appreciation for GVP's sponsorship and participation in the Glade Park Movies Under the Stars program.

Finance – Wheeler presented the monthly financials. Walch reported on the increase in write-offs due to abandoned work-orders. Walch noted that GVP is reviewing policies and may include application fees for line-extension work-orders in the future to help control the number of abandoned work-orders. VanWinkle inquired if the work-orders being written off are from last year or previous years. Wheeler stated that the write-offs reflected in July financials represent all outstanding abandoned work-orders through 2016. Kanda reported on the increase of investment in plant due to growth. Michalewicz noted that 2021 budget materials will be sent out to department managers on September 17. Michalewicz stated the preliminary budget will be presented to the board on November 18. Michalewicz reported on the GVP's implementation of DocuSign, noting that GVP will be ramping up

utilization of the DocuSign service in connection with consumer and developer contracts over the next several months. Walch noted that DocuSign will improve efficiencies and customer service for those members who wish to communicate electronically. Kanda reported on uncollectibles and write-offs. Kanda provided an update on the PPP loan process.

Walch provided a staffing update, noting that Matt Mason was promoted to Working Foreman. The Operations Department will evaluate the workload and determine when it will be appropriate to fill the journeyman lineman position vacated with Mason's promotion.

Walch shared a letter from the CARE/ACRE asking for GVP to consider making a donation to its 527 Organization. Walch noted that GVP has not participated in this program in the past and he does not recommend that it do so now. The consensus of the board was to not donate or participate in the program.

Walch shared an Employers Council compensation analysis comparing wages and benefits for journeyman lineman at cooperatives in Colorado. Walch noted that the report demonstrates that GVP provides value with its compensation and benefits packages, while keeping the employees engaged. Walch noted that GVP prepaid a portion of the retirement pension plan in 2012 to receive a discount on the premium for the following ten years. Walch shared that the foresight to participate in NRECA's Voluntary Contribution Acceleration Program resulted in savings for the cooperative. Walch asked if directors were interested in contributing to the acceleration program again. The consensus of the board was to invite NRECA to present options available to GVP in connection with the Voluntary Contribution Acceleration Program.

Walch reported that Eric Anderson, CFC Regional VP, will be in attendance at the November board meeting to review GVP's 2019 Key Ratio Trend Analysis (KRTA) report.

Walch reviewed the management and staff health insurance plans. Walch asked the directors to consider giving the option to staff for GVP to cover either \$1,300 or 85% with a cap of \$1,500 towards their health insurance plans going forward, comparable with the revised contribution negotiated with bargaining unit employees. The general consensus of the board was to consider the proposal and place it on the board agenda for the October meeting.

Walch indicated that the October agenda will include board action establishing the 2021 salary increase factor for management staff.

Walch provided an update on wholesale power supply developments, highlighting recent communications from Guzman Energy, and Intermountain Rural Electric Association's ongoing power supply Request for Proposal process. Walch suggested that given Xcel's approach to the partial requirements option in the power supply contract, the board should revisit its consideration of the contract termination option. Walch noted that the efforts are underway to restart discussions regarding power supply alliances with other Colorado cooperatives. The consensus of the board was to continue discussions.

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

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

### III. Establish Date, Time, and Venue for 2021 Annual Meeting

Walch noted that GVP historically holds the annual meeting on the first Thursday in August. Walch shared that GVP has contacted CMU and verified that the Meyer Ballroom is available to GVP for Thursday, August 5, 2021.

**MOTION:** Motion by Mease second by Spangler to set the 2021 GVP Annual Meeting for 6:30 p.m. Thursday, August 5, 2021 at the Meyer Ballroom on the CMU campus; carried.

IV. Policy and Governance Committee Report

Martinez presented the Policy and Governance Committee's proposed changes to Policy Bulletin No. 33 - Director Compensation and Travel Reimbursement for Meeting Attendance.

**MOTION:** The Policy and Governance Committee recommended approval of the proposed changes to Policy Bulletin No. 33 -Director Compensation and Travel Reimbursement for Meeting Attendance; directors voted 5-3 to approve, with Directors Burtard, McClaskey and VanWinkle opposed.

Martinez presented the Policy and Governance Committee's proposed changes to Policy Bulletin No. 41 - Attendance at NRECA and CREA Annual Meetings and Other Meetings.

**MOTION:** The Policy and Governance Committee recommended approval of the proposed changes to Policy Bulletin No. 41 - Attendance at NRECA and CREA Annual Meetings and Other Meetings; directors voted to approve.

V. Attorney's Report

Kampf noted that further discussion is scheduled regarding the allocation of PPP loan funds. Kampf reported that the Charter pole attachment agreement is progressing and hopefully in the final stages.

VI. CREA Report

Martinez noted that the CREA minutes were provided in the board packet. Martinez reported that the redistricting process is taking place and additional representative congressional seats will be added along the I-25 corridor. VanWinkle stated that rural Colorado should participate in the redistricting process. Walch noted that he will provide additional information regarding the redistricting process.

Martinez shared that CREA's wildfire mitigation webinar was postponed. Martinez shared the dates for the CARE auction. Martinez noted CREA is providing director courses online and encourages all directors to sign up for the learning conferences. Martinez shared that as more information becomes available regarding allocation of funds originally intended for the Bolivia rural electrification project, it will be provided.

VII. WUE Report

Haberkorn shared the regular Western United Electric Supply board meeting took place last week. Haberkorn noted that about half of the attendees participated in person with the remaining participating virtually. Haberkorn stated the financials were included in the board packet. He noted the next meeting is scheduled for October 9. Haberkorn noted that the building construction is complete. Haberkorn reported on the outlook for the next year and stated WUE is in good position to continue providing products and services to members without supply interruptions.

Haberkorn reported the budget and finance committee discussed the long-term debt strategy and will present a strategy to the WUE board in January. Haberkorn reported that the CEO compensation analysis was performed, and the board approved a raise that would bring the CEO closer to the midpoint of the salary range. Haberkorn reported that a new slate of Board Officers was elected:

President	Scott McGill, Yampa Valley
Vice President	Dan Hodgkiss, Carbon Power
Secretary	Jack Johnston, SE Colorado Power
Treasurer	Dan Daly, Sangre DeCristo

Mease inquired if the St. George site is staying busy. Haberkorn noted that the site is selling and distributing a lot of product and is a valuable asset to WUE.

VIII. Continuing Business

Walch provided an update on COVID-19 in Mesa County. Walch noted that the 2-week positivity rate in Mesa County is 1.3%. Walch asked directors to consider whether staff members should participate in person at next month's board meeting. Walch noted that the decision will be based on unanimous approval of the directors. Walch asked directors to email or call him if they are not in support of increasing the number of people in attendance at next month's board meeting.

IX. New Business

None.

**MOTION:** Motion by McClaskey second by Haberkorn to adjourn; carried.

Meeting adjourned at 12:55 p.m.

---

Derek Elder, Assistant Secretary

---

Carolyn Sandeen-Hall, President