

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

Regular Meeting

June 17, 2021

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Thursday, June 17, 2021 at 845 22 Road, Grand Junction, Colorado. 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; Bill Barlow, Operations Manager; Karen Allen, Information Technology Manager; Joe Michalewicz, Controller; Tonya Archuleta, Applications Analyst; Thomas Wright, Staff Engineer; Clint Blaylock, Serviceman; Gregg Kampf, Attorney; Mike Simons, Member.

MOTION: Motion by Haberkorn second by McClaskey to approve the minutes of the May 19, 2021 regular meeting; carried.

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

I. Guests and Public Comments

GVP member and director candidate Mike Simons was in attendance. Sandeen-Hall thanked Simons for attending and showing interest in serving on the Grand Valley Power Board of Directors.

II. CEO's Report

Staff Reports

Walch thanked Clint Blaylock for attending the board meeting to provide a report on the selection of the Lineworker Scholarship recipient. Blaylock thanked the board for asking for input from the GVP linemen in the lineworker scholarship selection process. Blaylock thanked the other committee members who participated in the selection process: Trevor Lettman, Preston Dillingham, Leif Karo, and Bill Barlow.

Communications – Wharton provided an update on plans for the Annual Meeting. Wharton shared a copy of the draft annual report and noted that the annual report will be mailed to members on July 12. Wharton shared that the ballots and election material would be mailed to members on July 13. Wharton reminded directors that the GVP summer picnic is scheduled for Thursday, June 24 at Banana's Fun Park.

Member Services – Elder noted that GVP filed its Renewable Energy Standard Compliance Report with the Colorado PUC on May 27, 2021 and posted the report on its website. Elder reported that GVP’s energy portfolio in 2020 included over 38% renewable energy.

Elder stated that five director candidate petitions have been submitted. Elder noted that the deadline for submitting a petition to run for the board of directors is 5:00 p.m. Monday, June 21, 2021. Elder reported that the Election Supervisory Committee is scheduled to meet and certify the petitions as well as draw names for the order of placement on the ballot on Wednesday, June 23, 2021.

Operations – Barlow reported that GVP has adjusted the setting for reclosers in the high country due to current drought conditions. Barlow noted that outages in the high country may be extended due to the safety precautions. Darrin Davenport with Federated Rural Electric Insurance Exchange will be on site next week to review GVP facilities and provide a risk and safety assessment. Barlow stated that an equipment failure in the Adobe substation required switching operations to reduce outage duration. Barlow provided an update on the outage on June 10 due to a windstorm that affected the Lower Valley. Barlow stated that his participation on a RESAP inspection at La Plata Electric Association was positive and noted that GVP’s RESAP inspection will be performed sometime in the next couple of months.

Sandeen-Hall asked if additional communications would be sent to high country consumers regarding the possibility of extended outage times if they occur. Wharton shared that GVP would be sending additional communications and safety tips that should be observed during outages.

Warehouse – Billiet provided an update on the warehouse access road. Billiet stated that the road construction is complete and the reconstruction of the gate access is scheduled to be completed next week. Billiet noted that the project is on schedule to be complete by July 1. Walch thanked Billiet and Williams for their response and work to complete this project on time with minimal operational impacts.

Engineering – Williams provided an update on the Colorado PUC rules regarding net-metering and distributed generation (DG). Williams noted that GVP would revise its tariffs, rules, and policies to comply with the updated rules. Walch noted that the increased administrative process and oversight required due to the updated rules justifies an application fee for DG systems. Walch noted that an application fee would be recommended when revised tariffs are presented to the board for approval.

Williams noted that Colorado Senate Bill 21-261 passed regarding distributed generation. Williams noted that this bill does not impact GVP but is changing the rules for IOUs.

Information Technology (IT) – Archuleta provided an update on the annual meeting registration process. Archuleta thanked the board for sending her and Wheeler to the Peak Solutions Leadership training course.

Allen thanked the board for attending the cybersecurity training prior to the board meeting. Allen shared how information technology is integrated in virtually all GVP operations, emphasizing the importance of securing networks from internal and external threats.

Michalewicz provided an overview of GVP’s cybersecurity insurance policy. Michalewicz noted that Federated Insurance is partnering with NAIS to provide additional cybersecurity protection for hardware and cyberfraud. Michalewicz noted that a preliminary Federated review of GVP assets shows that GVP would qualify for the most affordable premium level for the additional coverage due to its continuing education and focus on cybersecurity. Michalewicz noted that an estimate of the additional coverage will be provided in July or August after Federated performs its safety analysis.

Finance – Kanda provided a summary of the monthly financials. Kanda reported on the disconnects and write-offs. Kanda provided a summary of the Xcel Energy wholesale customer true-up meeting

and noted that projections show that GVP could owe Xcel an additional \$86,000 due to production true-up calculations. Kanda noted that the transmission true-up preliminary figures indicate that GVP would receive \$133,000 from Xcel Energy. Walch noted credits received through the true-up process are applied to the wholesale power cost surplus account to be used to maintain level power costs.

Legislative Update – Walch noted that the Colorado Legislature adjourned on June 12. Walch shared appreciation for the opportunity to connect with key legislators during this year’s session. Walch stated that through the adversity of the Xcel FCA increase, GVP found opportunities to connect with key legislators in hopes of influencing future legislation and decision-makers. Walch shared a draft letter from Senator Hansen encouraging the PUC to allow wholesale customer input regarding rate increases. Mease inquired if the relationships established during this year’s legislative session are going to be maintained to help influence and protect GVP interests in future legislative sessions. Walch stated that GVP and all cooperatives should continue to adapt to make more alliances with lobbying teams that are able to react to legislation in a timely manner.

Martinez noted that CREA is planning a strategic planning session in August to identify goals that will help guide future legislative goals and processes. Martinez asked for director input to share during the CREA strategic planning session. Mease encouraged directors to provide input to Martinez to help enact change and influence decisions. Walch noted that rural Colorado has an opportunity to coalesce around the PAWS issue to bring a voice to rural Colorado.

Power Supply – Walch shared communications with GVP member, Gene Goffin, regarding the Xcel FCA charge. Walch stated that GVP has engaged John Krajewski to support the cooperative’s power supply issues and future opportunities. Walch shared that Krajewski and Bill Leung will be in attendance at the July board meeting to review power supply options. Walch shared that Xcel has paused its project work related to joining the California ISO Energy Imbalance Market in April of next year in order to consider the impact of the decision by Colorado Springs Utility department to depart the PSCo Balancing Authority. Colorado Springs announced its intention to join the SPP Western Energy Imbalance Market. Walch noted that Xcel says it remains committed to participating in a regional market that benefits customers and helps integrate wind and solar energy.

Walch reminded directors that CFC Regional Vice President Eric Anderson will provide a cooperative financial training session for directors on July 29.

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

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

III. Discuss CFC Director Nomination

Sandeen-Hall shared communications from CFC regarding an open position for a Colorado candidate on the Region 7 Board of Directors. Sandeen-Hall stated that she is willing to serve on the board and would like to submit her application. The consensus of the board was to support Sandeen-Hall in her pursuit of nomination and election to the CFC Region 7 Board of Directors.

IV. Attorney’s Report

Kampf reported that he continues to work with Williams on updating the interconnection rules and regulations. Kampf noted that the CenturyLink pole agreement is in its final stage for approval. Kampf shared that he worked with Wharton on GVP’s sweepstakes giveaway at the Glade Park Movie Under the Stars. Kampf stated that he will be meeting with other members of the Election Supervisory Committee to review the nominating petitions on June 23, 2021.

V. Director Reports – Training Course Takeaways

Haberkorn noted that his participation in the *Risk Oversight: The Board’s Role in Risk Management* course was

helpful in understanding the different risks that cooperatives face. Haberkorn stated that the class was well worth his time. Sandeen-Hall stated that the content was great in assessing risk management. Sandeen-Hall shared that she hoped risk management would continue to be a focus in future training sessions. Martinez shared appreciation for the class and shared that two director education courses will be offered during the CREA Energy Innovations Summit in October.

VI. CREA Report

Martinez noted that CREA board minutes were included in the board packet. Martinez stated that the CREA meeting was held in the United Power headquarters facility. Martinez asked directors to consider if GVP would like to continue providing an auction item for the CARE/ACRE fundraiser in October.

VII. WUE Report

Haberkorn noted that WUE's next board meeting is scheduled for August. Haberkorn provided a financial update and stated that the financial report is available for directors to review. Haberkorn shared that WUE retired capital credits from 2014.

VIII. Continuing Business

None.

IX. New Business

Walch thanked the board for the opportunity to attend the CFC Forum. Walch provided a summary and shared highlights from the forum.

Haberkorn shared concern for transmission costs outside of an Xcel contract. Sandeen-Hall stated that directors should consider this topic and be prepared to ask additional questions at next month's meeting.

Sandeen-Hall gave recognition to VanWinkle regarding an article recently published in The Denver Post.

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

Meeting adjourned at 12:26 p.m.

Derek Elder, Assistant Secretary

Carolyn Sandeen-Hall, President