

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

Regular Meeting

May 19, 2021

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, May 19, 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; Mark Shaffer, Operations Supervisor; Karen Allen, Information Technology Manager; Joe Michalewicz, Controller; Tonya Archuleta, Applications Analyst; Thomas Wright, Staff Engineer; Sarah Wheeler, Accountant/Benefits Administrator; Gregg Kampf, Attorney.

MOTION: Motion by Haberkorn second by Spangler to approve the minutes of the April 21, 2021 regular meeting; carried.

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

I. Guests and Public Comments

None.

II. CEO's Report

Staff Reports

Walch recognized Wharton and Pogar for receiving Spotlight on Communications awards from NRECA as well as CREA communications awards.

Information Technology (IT) – Allen and Martinez provided a cybersecurity training session and video that was a part of the CREA Lunch and Learn session in April. Allen noted that cybersecurity is a risk to any company regardless of size. Allen highlighted the importance of an incident response plan and employee and director training. Haberkorn inquired if GVP has cybersecurity insurance. Walch noted that GVP does carry cybersecurity insurance and GVP is in the process of reviewing the coverage. Allen indicated that the IT department will provide director cybersecurity training prior to monthly board meetings beginning next month. Walch reminded directors to utilize staff if they have questions or concerns. Mease asked if GVP stores backup hardware that can be deployed in case of a cybersecurity attack. Allen noted that GVP does maintain backup hardware and that NISC supports GVP's efforts to

safeguard software and servers.

Communications – Wharton provided a summary of the timeline and plans for the 2021 Annual Meeting. Walch noted that Mesa County and Colorado Mesa University have loosened COVID restrictions thereby providing the opportunity for GVP to host an in-person annual meeting. Haberkorn shared appreciation from members for GVP's efforts in 2020 to host a virtual meeting. McClaskey shared perception that Mesa County and GVP's membership has an appetite to return to normal. Sandeen-Hall inquired if CMU is restricting capacity. Wharton shared that CMU has not imposed restrictions or limitations on events that are scheduled for late summer at this time. The general consensus of the board was to plan and move forward with plans to host an in-person annual meeting at CMU on Thursday, August 5, 2021. Walch noted that GVP will move forward with plans to host the in-person annual meeting and will develop alternative plans in case circumstances change.

Wharton stated that the summer picnic is scheduled for Banana's Fun Park on Thursday, June 24, 2021. Wharton also shared that GVP is sponsoring the Glade Park Movies Under the Stars event on June 4, 2021.

Operations – Shaffer reported that pole testing contractors are in GVP's service territory working in the Whitewater and Gateway areas. Shaffer noted that development of subdivisions continues to keep the crews busy.

Member Services – Elder provided a summary of the customer service surveys through the first quarter of 2021. Elder noted that 1,158 survey cards were sent to members with 158 survey cards being returned. Elder shared the average overall satisfaction rating during this period was 4.85 out of 5.00. Elder reported that Nominating Petitions for candidates seeking to serve on the GVP Board of Directors were available beginning on May 3, 2021. Elder noted that to-date five nominating petitions have been picked up. Elder indicated that nominating petitions may still be picked up and must be returned no later than 5:00 p.m. on Monday, June 21, 2021 to be reviewed by the Election Supervisory Committee. Elder reported that GVP sold 45,944 RECs from vintage year 2020 and received 12,000 RECs from vintage year 2019 along with compensation totaling \$64,116 that will be used to offset wholesale power costs. Elder reported that GVP continues to compile data for its 2020 Renewable Energy Standard report that will be filed with the PUC no later than June 1, 2021. Elder noted preliminary figures indicate that over 38% of GVP's energy supply in 2020 came from qualifying renewable energy resources.

Engineering – Williams noted that GVP's Power Purchase Agreement with Ute Water is executed and scheduled to be effective June 1, 2021. Williams provided a summary of the rate consultant's recommendations that GVP should be charging interconnection application fees for distributed generation.

Warehouse – Billiet provided an update on the warehouse access road project. Billiet noted that the engineering firm is recommending additional layers of geogrid to stabilize the loose base caused by a high-water table. Walch noted that GVP will follow the engineering consultant recommendations to assure a successful completion of the project. Walch commended Gary Billiet and Dan Reid for the record-keeping associated with the maintenance of the fuel station. Walch noted that the inspectors requested permission to share GVP's record-keeping to use as an example for other companies to employ.

Finance – Kanda presented a summary of the monthly financial reports. Kanda reviewed the disconnect and collections report. Kanda noted that \$88,000 of Cashback Credit checks remain uncashed. Kanda shared that member capital allocation notices will be mailed to members on June 9.

Michalewicz provided a summary of the amended budget that takes into account the Xcel FCA and actual capital expenditures through the first quarter.

Legislative Update – Walch noted that the legislature passed the Cooperative Governance bill. Walch

noted that while GVP currently follows most of the requirements in the bill, but will review its bylaws and policies to ensure compliance.

Walch provided an update on the member survey report. Walch noted that a grievance with Local IBEW 111 was filed and resolved.

Power Supply – Walch reported that Xcel provided testimony to the PUC regarding their actions relating to the February FCA price spike. Walch noted that the cooperative wholesale customers of Xcel will be reviewing the testimony to determine the appropriate response. Walch shared that GVP continues to work with Senator Hansen and lobbyist to apply pressure to Xcel to take corrective action that will limit future price spikes without notice.

Walch reported discussions regarding challenging Xcel’s position regarding the February fuel cost adjustment at FERC. It was the consensus of the board to do so, engaging FERC counsel as necessary. Martinez expressed appreciation to Senator Bennett for his support at the FERC level.

Walch provided a summary of a meeting with GVP’s wholesale account representative, Carrie Simpson. Walch reported that GVP continues to push Xcel for a future hedging option to lock in prices to hedge against future price spikes. Walch noted that Xcel has offered to hold quarterly meetings with wholesale customers.

Walch reported that CFC Regional Vice President Eric Anderson will provide KRTA training for directors on July 27- 29.

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

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

III. Finance and Audit Committee Report

VanWinkle provided a summary of the Finance and Audit Committee meeting with auditor Kevin Kelso and noted that the committee recommends acceptance of the audit report.

MOTION: Motion by VanWinkle second by Rooks to accept the audit report for the year ended December 31, 2020; carried.

IV. Authorize Allocation of Member Capital

MOTION: Motion by Martinez second by Haberkorn to approve the allocation of 2020 margins totaling \$2,611,218; carried.

V. Special Circumstances Compensation Supplement

Sandeen-Hall noted that board policy states that in the event of special circumstances that require the commitment of extra time and effort, the GVP board may approve additional compensation supplements for board members, either individually or collectively. Sandeen-Hall inquired if GVP’s meeting with Xcel Energy regarding the February FCA adjustment warrants consideration of a compensation supplement.

No comments or discussion took place. Sandeen-Hall stated that the special circumstances compensation would not be paid.

VI. Attorney’s Report

Kampf reported that he will work with Walch and Elder to review bylaws and policies to make minor modifications to comply with the Cooperative Governance bill. Kampf provided an update on the PUC

Distributed Generation Interconnection rules. Kampf noted that the final rules may require substantial changes to GVP's Interconnection Policy. Kampf provided an update on the CREA attorney's meeting.

VII. CREA Report

Martinez noted that CREA board notes were included in the board packet. Martinez reminded directors to share comments regarding legislation. Martinez highlighted that CREA is expecting postal rates to increase which will increase costs for the magazine.

VIII. WUE Report

Haberkorn noted that the WUE board report was included in the board packet. Haberkorn noted that last week's meeting was held at Carbon Valley in Longmont. Haberkorn reported that the budget was approved. Haberkorn stated that sales remain strong. Haberkorn reported that the St. George site is on schedule to be completed this fall. Haberkorn shared that Intermountain REA will not be filling their vacant director position on the WUE board. Haberkorn reported that transformer lead times continue to increase and currently as long as 54 weeks out.

IX. Continuing Business

None.

X. New Business

None.

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

Meeting adjourned at 12:23 p.m.

Derek Elder, Assistant Secretary

Carolyn Sandeen-Hall, President