

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

Regular Meeting

December 13, 2017

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, December 13, 2017 at 845 22 Road, Grand Junction, Colorado. President Martinez called the meeting to order at 9:00 a.m. Attendees recited The Pledge of Allegiance.

ROLL CALL:

Don McClaskey	absent
S. James O’Connor	present
Robert Saunders	present
Sylvia Spangler	present
Janie VanWinkle	present
Dennis Haberkorn	present
Rod Martinez	present
Bill Rooks	present
Carolyn Sandeen-Hall	present

Others present: Tom Walch, CEO; Sherry Fix, IT Manager; Karen Allen, Network Administrator; Cathy Gledhill, Manager of Finance and Administration; Pat Kanda, Staff Accountant; Sarah Wheeler, Accounting Assistant; Mike Birch, Operations Manager; Bill Barlow, Operations Supervisor; Steve Don, Manager of Engineering; Derek Elder, Member Services Manager; Christmas Wharton, Communications Specialist; SueEllen Manley, Purchasing, Materials and Compliance Manager; Joe Foster, Safety and Loss Coordinator; Gregg Kampf, Attorney.

President Martinez expressed appreciation to the directors who attended capital credit check presentations to large power consumers Collbran Job Corps, Whitewater Building Material, Mesa County School District 51, and Gateway Canyons.

Minutes:

MOTION: Motion by O’Connor second by Saunders to approve the minutes of the November 15, 2017 regular meeting; carried.

MOTION: Motion by Sandeen-Hall second by O’Connor to approve the agenda; carried.

I. CEO’s Report

1. Staff members updated the board on activities in their respective departments. Elder informed directors he has filed GVP’s annual energy efficiency report with the City of Grand Junction as required in the franchise agreement, with inclusion of the Renewable Energy Standards report filed with the PUC. Wharton reported she will be finalizing the launch of the updated GVP website, using Touchstone Web Builder 3 program, in the next 30 to 45 days. Wharton commended GVP personnel who contributed to the GVP float entered in the Fruita Parade of Lights, and reported GVP received the Most Creative Float award. Joe Foster thanked the board of directors for its focus on safety. He reported that he is working with Operations personnel to develop the 2018 safety improvement goals. Barlow informed

directors of two outages caused by high winds in the high country in early December. Spangler expressed appreciation for the crews working safely and efficiently to restore power when those outages occurred. Barlow also updated directors on current construction activity. Contract crew have started work on the next phase of the Kannah Creek three-phase line upgrade, and GVP crews are extending electric services to new subdivisions.

Allen updated directors IT personnel are working on Rural Cooperative Cyber Security Capabilities (RC3) initiatives to secure electronic assets, including two factor authentication for remote access and securing the ports in the warehouse. Fix informed board she will be a member of the panel discussing RC3 program at Tech Advantage in 2018, and Walch will be a panel participant on the same topic at the CEO Close Up conference. Wheeler presented the October 2017 financial reports. Kanda summarized delinquent account and write-off activity. Kanda also reported to board capital credit checks totaling \$1,147,971 were mailed December 8, and \$7,000 has cleared to date.

2. Walch reviewed the final 2018 Work Plan and Budget, summarizing the changes as outlined in the CEO report to the board, and reported the Audit and Finance Committee recommends adoption of the 2018 Work Plan and Budget as finalized.

MOTION: Motion by Rooks second by Sandeen-Hall to adopt the 2018 Work Plan and Budget; carried.

MOTION: Motion by O'Connor second by Sandeen-Hall to convene executive session to discuss selection of vendor for AMI deployment; carried.

Executive session convened at 9:45 a.m.
Regular session reconvened 10:30 a.m.

MOTION: Motion by Saunders second by Spangler to authorize CEO to engage in negotiations with Eaton to finalize contract terms for AMI deployment; carried.

3. Walch distributed the final draft of the 2018 board calendar, noting that November board meeting is scheduled for the second Wednesday of the month.

MOTION: Motion by Haberkorn second by Sandeen-Hall to approve 2018 Board calendar; carried.

4. Walch reported Xcel has filed testimony in support of its Clean Power Plan. Representatives of Holy Cross Energy, Yampa Valley, Intermountain Rural Electric and GVP are scheduled to meet with Washington counsel Bob O'Neil on Monday December 18 to discuss a consolidated approach to contesting the Xcel Clean Power Plan. Walch reported that staff members Matt Williams and Pat Kanda and counsel Dave Doderio will be accompanying him to the meeting. Walch informed board that Bill Leung, power supply consultant, is proposing a retainer contract of \$3500/month for his services, with roughly two-thirds of cost paid by Yampa Valley Electric and one-third by GVP. Walch will present the contract for board consideration at the January meeting.
5. Walch attended the CFC Forum planning meeting and shared with directors the focus on the significance of social media. The board viewed an REI "Opt Outside" video promoting the retailer's innovative closing of its stores on Black Friday. Walch noted that REI's decision to close on Black Friday fit in with its mission, but required going against conventional

wisdom. Walch encouraged directors and staff to watch out for situations where following the crowd would require the cooperative to deviate from its mission and values.

6. Walch reported he and Steve Don will be meeting this afternoon with the developer of a large hydroponic greenhouse operation that is considering building facilities in GVP's service territory. GVP has presented an initial projected line extension cost estimates ranging as high as \$10 million (including substation and transmission facilities necessary to meet reliability requirements). If the project comes to fruition, it would be GVP's largest load, with a winter peak of 30 MW.

MOTION: Motion by Haberkorn second by Sandeen-Hall to approve the CEO report; carried.

7. Walch requested approval from the board to execute documents in connection with the sale of a 0.27 acre tract of land near Whitewater.

MOTION: Motion by Haberkorn second by Sandeen-Hall to authorize Walch to finalize sale of 0.27 acre tract in Whitewater and execute all documents necessary to complete the transaction; carried.

8. Directors submitted 2018 meeting and conference travel requests for board authorization. Walch reminded directors they may still request board authorization for meeting attendance at a later date.

MOTION: Motion by Haberkorn second by Sandeen-Hall to approve 2018 director travel requests; carried.

9. Walch asked directors if there were any changes in the makeup of the Scholarship Review committee appointed by the board. Rooks reported he knows a retired school teacher who is interested in serving on the committee and will submit the name to Walch or Elder. It was the consensus of the board that this candidate and all sitting members of the committee will be appointed to serve on the committee in 2018.
10. Walch informed directors the Form 219 Inventory of Work Orders and Summary of Special Equipment are RUS reports which are no longer required, but that GVP staff will continue to compile them on a monthly basis. The board requested Walch continue to include them in the monthly CEO report for review.

MOTION: Motion by Sandeen-Hall second by Spangler to approve the consent agenda items, which includes approval of uncollectible account write-offs; carried.

11. Walch reported the Audit and Finance Committee reviewed third quarter 2017 expenditures and noted no irregularities.
12. Martinez reported that the Executive Committee review third quarter CEO expenses, with no irregularities noted.

II. Legal

Kampf relayed his firm is preparing the lien release request for RUS, reviewing legal descriptions for accuracy to ensure full release.

III. CREA/Western United

The CREA report is included in the CEO report. Martinez advised CARE/ACRE renewal requests will be mailed in January and encouraged participation. Saunders relayed that he was unable to attend Western United meeting.

IV. Continuing Business

None.

V. New Business

None

MOTION: Motion by Haberkorn second by Rooks to adjourn; carried.
Meeting adjourned at 11:30 a.m.

Cathy Gledhill, Assistant Secretary

Rod Martinez, President