

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

Regular Meeting

February 17, 2021

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, February 17, 2021 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; Thomas Wright, Staff Engineer; Gary Billiet, Purchasing and Warehouse Manager; Pat Kanda, Finance Manager; Joe Michalewicz, Controller; Sarah Wheeler, Benefits Administrator; Bill Barlow, Operations Manager; Karen Allen, Information Technology Manager; Gregg Kampf, Attorney.

MOTION: Motion by Martinez second by McClaskey to approve the minutes of the January 20, 2021 regular meeting; carried.

Walch requested the agenda be amended to include discussions regarding the attorney succession planning during the Executive Session and move the Executive Session to the last item of business on the agenda.

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

I. Guests and Public Comments

None.

II. CEO's Report

Staff Reports

Coronavirus Continuity Plan – Wharton stated that Mesa County has moved to level yellow on the state's COVID-19 dial. Wharton shared that the level yellow allows gatherings to increase to 100 and gyms and restaurants are allowed to increase their levels of in-person customers. Wharton noted that the statewide mask mandate was extended through March 8.

Wharton shared that the lobby was opened to the public again on February 1. She stated that employees continue to perform daily symptom checks and the staffing levels within the building have increased. Walch noted that GVP employees were given the chance to receive the vaccine due to the fact that GVP is considered a critical business. Walch noted that the operations department continues

to stagger schedules to further minimize the risk of having an outbreak.

Communications – Wharton reminded directors that the deadline for GVP scholarship applications is March 1, with the exception that the Lineworker’s scholarship deadline is June 1. Wharton shared that outreach efforts in Glade Park and Collbran have been effective. Wharton stated that the Member and Community Relations Committee met this morning to review the Lineworker’s scholarship. Burtard shared an overview of proposed revisions to the qualification’s requirement for the Lineworker’s scholarship. Burtard noted that the recommended revisions include expanding the opportunity to all Mesa County residents with preference given to a resident who resides within GVP service territory. Burtard noted the change would increase opportunities within the community and further support CMU and the Lineworker’s program. Burtard also relayed the committee recommendation that the selection process be shifted from a committee of directors to a committee of GVP linemen.

McClaskey noted that GVP’s first responsibility - whether it is scholarships or any other business function - should always be to the members. Walch stated that preference will always be given to member households first. VanWinkle expressed support that GVP’s programs should focus on the members first and community second. Wharton noted that the language could be modified to include the priority of the scholarship is given to a member served by GVP but in a year when no GVP household applications are received that the award may then be awarded to a resident of Mesa County who applies. Mease expressed support for the possible expansion of candidates due to the fact that GVP can build relationships that would pay dividends if a qualified journeyman lineman comes back to work for GVP. VanWinkle recommends changing the language from “preference is given” to “priority is given.” The board was in general agreement.

MOTION: Motion by Spangler second by Mease to approve the recommended changes to the Lineworker’s scholarship; carried.

Wharton provided an update about the Youth Tour and Camp. Wharton stated that the Youth Tour and Camp have been cancelled for 2021 due to reservation timelines and the uncertainty surrounding the pandemic. Wharton shared that last year’s award recipients who were high school seniors were awarded a \$1,500 scholarship in lieu of a Youth Tour or Camp trip.

MOTION: Motion by Martinez second by McClaskey to provide scholarships in the amount of \$1,500 in lieu of the Youth Tour and Camp to the applicants who will be graduating seniors this year; carried.

Wharton provided an update on the 2021 Mesa County Safety Fair. Wharton thanked Pogar and the Operations Department for their work to produce a high voltage safety video that will be distributed to local students along with supplemental materials.

Member Services – Elder reviewed the timeline for the Director election process. Elder stated that petitions for nomination for director would be made available beginning on May 3. The petitions are due back by the end of business on June 21, 2021. Elder noted that the director election process and timeline would be communicated to members beginning in the April edition of *Colorado Country Life* and continue through the June edition. Elder stated that the election information would also be available on GVP’s website. Elder shared that Chadwick, Steinkirchner, Davis & Co., P.C. will administer and tally the ballots for GVP’s Director Election. Mike Wells, Wayne Keeler, and Gregg Kampf will serve on the Election Supervisory Committee that oversees the election process.

Elder provided a staffing update, thanking Debbie Whiteside for over 30 years of service and noted that her retirement date was February 10. Elder shared that Whitley Decker was hired to fill the vacant CSR position. Elder noted that Scott Bradley was tabbed to fill the vacant Serviceman/Patrolman position, creating an open position for a Servicemen that is anticipated to be filled from within GVP’s ranks. Elder shared that Destry Smith was offered a position as a journeyman lineman and has accepted. Smith’s first day at GVP will be March 8.

Engineering – Walch noted that the board packet included confirmation from Ute Water that its board of directors has approved entering into a PPA with GVP for the generation output from the Ute Water hydro facility.

Warehouse – Billiet shared that the warehouse is back to fully staffed and preparing for RESAP. Mease inquired if lead times are influenced by the current outages that are affecting the Midwest. Billiet noted that close communications continue with WUE to assure that GVP continues to receive shipments.

Operations – Barlow shared that the operations department has purchased a Honda Pioneer side-by-side that will be utilized for remote operations and access. Barlow noted that Bradley is giving a safety presentation regarding fire management and powerlines to the Lower Valley Fire Department. Barlow shared that Jesse Peeler from CREA is on site performing a safety inspection.

IT – Allen reported that all IT staff members are back to working full time in the office. Allen reminded directors to continue to be cautious when clicking on links and encouraged directors to contact the IT department if they have questions.

Finance – Kanda provided a summary of the monthly financial reports. Kanda noted that \$928,000 of the \$1,200,000 in CashBack Credit checks have cleared the account. Kanda stated that GVP has filed the Paycheck Protection Program loan forgiveness application with Citizens State Bank. Michalewicz presented a report detailing GVP growth from 2010-2020.

Walch shared praise for the employees and staff. Walch noted that GVP faced many challenges in 2020 ranging from the state's largest wildfire - at the time - to a worldwide pandemic. Walch stated that in the face of adversity, the staff and employees led GVP to one of its strongest and most productive years. Walch praised the staff and board for the leadership provided through a challenging year.

Walch shared a request for information that GVP received from a news station regarding renewable energy and fossil fuels. Walch noted that GVP recognizes the importance of all sources of generation and felt that a short news story comparing the two would not do justice to the importance of the discussion. Walch stated that GVP provided other contacts who could contribute to the news story and ultimately declined the request to be a part of this news story.

Walch shared data from 2019 showing that wind and solar combined to provide 411 TWh compared to coal and natural gas providing 2,754 TWh. Walch asked for board input regarding a communications strategy regarding reliability issues associated with renewable energy. Martinez shared that CREA and CCL should be involved in the coordination of accurate information. Walch noted that CREA will have diverging opinions and historically they have taken the path of least resistance. Walch noted that the tough conversations are not the path of least resistance. Walch shared that CREA and NRECA should use the examples from Texas to have future conversations that include all the facts. VanWinkle reminded directors that the challenge is not to amplify misinformation while presenting facts. Rooks shared his view that the situation in Texas should open the door to have honest conversations regarding the transmission of power. Rooks stated that GVP should continue to maintain a position of diversity and inclusion of all generation resources. Burtard noted that the Texas situation is on everyone's mind and GVP has a unique platform to provide facts to advance the conversation. Rooks reminded directors that their focus should always be on reliable energy for GVP members. Mease expressed interest in working with regional cooperatives to move the conversation forward. Sandeen-Hall stated that the conflicting information already present will be the largest hurdle to overcome while maintaining a fact-based position.

Power Supply – Walch shared that discussions with other cooperatives regarding a power pooling group are beginning to move forward. Walch stated his goal is to provide three power supply alternatives for directors to consider by the end of the year.

Legislative Update – Walch shared that the Colorado assembly is in session. Walch noted that bill mandating a Regional Transmission Organization(RTO) for Colorado will be one to watch. Walch noted that he is still in the running for random selection to the Colorado Redistricting Commissions.

GVP / CMU Scholarship Initiative – Walch shared an appreciation for input regarding the importance of GVP funds benefitting GVP members. Walch stated that GVP’s contribution to the Mesa Scholarship initiative provides a great opportunity for Wharton and Pogar to strengthen relationships with District 51 advisors to make sure students who reside in GVP’s service territory are applying for scholarships through the endowment. Walch noted that this is a great opportunity to spread the co-op message. Walch asked directors to consider moving forward with the \$5,000 contribution in 2021 and then make the remaining \$20,000 contribution in 2022 so the foundation match is added to the fund three years ahead of schedule. The general consensus of the board was to move forward with accelerating the five-year contribution by making a \$5,000 contribution this year and a \$20,000 contribution in 2022.

Walch noted that the CFC forum is slated to take place in San Antonio on June 14-16. Walch stated that he and a couple of directors are planning to attend and asked the directors to consider moving the June board meeting. Walch noted that the topic will be up for further discussion at next month’s board meeting.

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

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

III. 2021 Management Objectives

Sandeen-Hall noted that the 2021 Management Objectives were included in the board packet. Walch provided an overview of the 2021 Management Objectives. Walch noted that the development of a wildfire mitigation plan should be included in the 2021 management objectives. The general consensus of the board was to approve the 2021 management objectives with the inclusion of a wildfire mitigation plan.

IV. Cost of Service Consultant

Walch provided an overview of the cost-of-service study Request for Proposal (RFP) process. Walch noted that six consultants were invited to submit RFPs, and five returned proposals. Walch stated that staff will be interviewing three or four of the consultants next week and would like to engage a consultant to move forward with a rate study as soon as practicable. Since board members will be ultimately responsible for the adoption of new rates, Walch invited director participation in the interview process. Sandeen-Hall suggested that the staff move forward with the process, with one director participating. Mease expressed interest in participating in the process. The general consensus of the board was to move forward with Mease representing the directors in the cost-of-service study consultant interview and selection process.

MOTION: Motion by Rooks second by Burtard to authorize the CEO to engage the consultant that the selection team identifies for the cost-of-service study; carried.

V. Review CEO Evaluation Process

Sandeen-Hall stated that hard copies of the CEO evaluation process have been mailed to those directors who requested a hard copy. The remaining directors have received the evaluation form via email. Sandeen-Hall noted that the evaluations should be returned to her by March 1. She noted that the executive committee will put the comments into a single document and provide the document to directors.

VI. Attorney’s Report

Kampf noted that he will be working with Williams next week to finalize the PPA with Ute Water. Kampf stated that his firm has received communications from Century Link regarding the pole attachment agreement.

Kampf shared that Tri-State asked ten cooperatives in Colorado to reduce load in the last couple of days due to the energy crisis currently taking place in the Central Plains.

VII. CREA Report

Martinez noted that the written CREA report was provided in the board packet. Martinez shared that ACRE contributions have been temporarily suspended based on the gridlock in Washington, D.C. He noted the CREA Annual Meeting agenda is included in the board packet and reminded directors to register if they plan to participate. Martinez shared that CEEI donated \$36,000 to rural fire departments who played a vital role in stopping and controlling the 2020 wildfires.

VIII. WUE Report

Sandeen-Hall noted that Haberkorn had a previous appointment and left the meeting before this report. Sandeen-Hall noted the WUE report was included in the board packet.

IX. Continuing Business

None.

X. New Business

McClaskey inquired about next month's board meeting regarding in-person meetings. Walch noted that GVP can make some accommodations to provide the opportunity to host in-person meetings for those who wish to attend in-person. Sandeen-Hall shared that directors will have a choice whether they would like to attend in-person or via Zoom.

XI. Executive Session

MOTION: Motion by Mease second by McClaskey to convene an executive session to discuss attorney succession planning and personnel and staffing issues; carried.

Executive session convened at 12:15 p.m.

Regular session reconvened at 12:49 p.m.

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

Meeting adjourned at 12:50 p.m.

Derek Elder, Assistant Secretary

Carolyn Sandeen-Hall, President