

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

Regular Meeting

July 19, 2017

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, July 19, 2017 at 845 22 Road, Grand Junction, Colorado. President Gormley called the meeting to order at 9:00 a.m. Attendees recited The Pledge of Allegiance.

ROLL CALL:

Don McClaskey	present
S. James O’Connor	present
Robert Saunders	present
Sylvia Spangler	absent
John Gormley	present
Dennis Haberkorn	absent
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; SueEllen Manley, Purchasing, Materials and Compliance Manager; Steve Don, Manager of Engineering; Matt Williams, Staff Engineer; Mike Birch, Operations Manager; Christmas Wharton, Communications Specialist; Gregg Kampf, Attorney; and Wholesale Power Consultant Bill Leung

Minutes:

**MOTION:** Motion by Saunders second by Martinez to approve the minutes of the June 21, 2017 regular meeting; carried.

**MOTION:** Motion by Sandeen-Hall second by McClaskey to approve the agenda; carried.

I. CEO’s Report

1. Walch commended Sherry Fix for 35 years of service with GVP. Staff members updated the board on activities in their respective departments. Wharton updated directors on preparations for the GVP annual meeting and relayed plans to reduce the meeting time while still keeping it effective. Plans include a joint CEO/President speech, two podiums on stage for smoother transition among speakers, and introduction of ballot box at annual meeting for collection of ballots completed by members at the annual meeting. She advised the directors the GVP Annual Report was mailed out on July 17 and ballots are being mailed out July 19-20. Wharton further reported the GRID Alternatives and the Colorado Energy Office “capstone” ceremony has been rescheduled for September 7.

Birch reviewed with the directors the summary of the Rural Electric Safety Assessment Program (RESAP) inspection team’s comments and informed the board of the measures staff has taken or is taking to address the concerns reported by the RESAP team. Don reported 20

distributed generation interconnections were completed in the second quarter of 2017 for a total of 255 interconnections in place on GVP's distribution system. Don reviewed the summary report of the RUS Form 300, specifically addressing operations and maintenance line items which need improvement. Walch reported the Civil Rights and Operations reviews went smoothly and the RUS field representative, Arsenio Dela Cruz, was complimentary of GVP's facilities and distribution system. Don also informed board the engineering department has been contacted by a company interested in constructing a distributed generation facility (solar) as large as 300 kW capacity for pumping irrigation water in the Whitewater area. GVP's current regulations limit the size of commercial installations to 25 kW. Don and Walch asked if the board would like staff to prepare an evaluation and analysis of current distributed generation interconnection policies and tariffs, and consider whether any amendment of those policies and tariffs is in order. The board directed engineering staff to proceed with evaluation. Kanda presented the May 2017 financial reports, and summarized delinquent account and write-off activity. Kanda relayed the Xcel Energy production true-up is estimated to be a \$646,000 credit and GVP has asked Xcel Energy to issue a check rather than apply a credit against monthly wholesale power invoices. The amount will be recorded in the Wholesale Power Cost Deferred Revenue account to be used for reducing monthly consumer kWh charges in future months.

2. Walch introduced wholesale power consultant, Bill Leung, who provided a presentation on electric industry trends, including increased construction of distributed generation and wind energy projects, and replacing generation from aging coal-fired and nuclear power plants. Leung also commented on the plans of Colorado transmission utilities to form a regional transmission organization (RTO) managed by Southwest Power Pool, which may reduce transmission costs and open up energy markets. Walch proposed a negotiation with the CEO of Yampa Valley Electric Association and Bill Leung to explore options for a cost-sharing arrangement for use of Lueng's services in assisting GVP staff with wholesale power issues. The board authorized Walch to proceed with the negotiation.
3. Walch reviewed with the board a draft of a Financial and Equity Management Policy. The board members commented the policy draft incorporates the consensus and conclusions reached during the recent Financial Strategic Planning session. Walch proposed the final policy replace Policy No. 80 Annual Operating and Capital Expenditure Budget, as the draft policy adequately addresses requirements regarding preparation of an annual budget. The board will consider adoption of the policy at the August board meeting.
4. Walch also relayed to directors Kanda is preparing a cost/benefit analysis of RUS loan buyout to be presented at the August meeting. Board members discussed approaching both CFC and CoBank for a proposal should the buyout be feasible. Directors requested presentations from CoBank and CFC at the September board meeting to take advantage of current low interest rates.
5. Walch presented the revised Policy Bulletin No. 84 addressing the requested change in parameters for use of unclaimed capital credits for charitable or educational purposes.

**MOTION:** Motion by Martinez second by McClaskey to approve revised Policy Bulletin No. 84; carried.

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

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

## II. Legal

Kampf relayed his firm has been working with engineering staff and Power System Engineering consultant on the master vendor agreement draft for AMI bid proposals. Kampf also reported his firm reviewed statutes on unclaimed capital credits.

III. CREA/Western United

Martinez reported he had nothing further to add to the CREA board minutes which were included in the CEO report. Saunders reported Western United board has acted to reduce the number of regular board meetings from six meeting per year to four meeting per year.

IV. Continuing Business

**MOTION:** Motion by Sandeen-Hall second by Martinez to approve a five year \$50,000 total commitment to the HopeWest “Hope Blooms” campaign; carried.

V. New Business

None.

**MOTION:** Motion by McClaskey second by Sandeen-Hall to adjourn; carried.

Meeting adjourned at 12:55 p.m.

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Cathy Gledhill, Asst. Secretary

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Rod Martinez, President