

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

Regular Meeting

July 17, 2019

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, July 17, 2019 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	present
Robert Saunders	present
Sylvia Spangler	present
Janie VanWinkle	present
Dennis Haberkorn	present
Rod Martinez	present
Bill Rooks	present
Carolyn Sandeen-Hall	present
Jesse Mease	absent

Others present: Tom Walch, CEO; Pat Kanda, Staff Accountant; Cathy Gledhill, Manager of Finance and Administration; Sarah Wheeler, Accountant/Benefits Administrator; Mike Birch, Operations Manager; Bill Barlow, Operations Supervisor; Matt Williams, Manager of Engineering; SueEllen Manley, Purchasing, Materials and Compliance Manager; Gary Billiet, Purchasing and Warehouse Manager; Derek Elder, Member Services Manager; Christmas Wharton, Communications Specialist; Dana Pogar, Communications Intern; Gregg Kampf, Attorney.

Minutes:

MOTION: Motion by Sandeen-Hall second Saunders by to approve the minutes of the June 19, 2019 regular meeting; carried.

Martinez requested the agenda be amended to include (1) discussion of letter received from anonymous group of consumers; (2) committee reports from the Executive Committee and the Director Training and Education Committee.

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

I. CEO's Report

1. Walch introduced Gary Billiet, who has been promoted to Purchasing and Warehouse Manager. Walch expressed gratitude to SueEllen Manley, who will retire next month, for her dedication and hard work during her 32 years of service at Grand Valley Power.
2. Staff members updated the board on activities in their respective departments. Williams informed board members that over 10,000 enhanced meters have been installed to date. Barlow informed directors operations personnel are working on line construction to Aspen Valley subdivision and service to the new elementary school on 18 Road. Barlow noted that he

and working foremen Robbie Barela and Mark Shaffer will be attending the CREA Loss Control Conference next week. Walch recognized Barlow for 30 years of service at GVP. Walch also presented to staff the Federated No Lost Time Accident Award for 2018.

Elder informed directors that a small number of consumers have requested to opt-out of enhanced meter installation. He noted that consumers are expressing appreciation for being given a choice. He also reported election ballots are being mailed out to consumers today. He noted that Election Supervisory Committee members Kampf and Keeler will oversee tabulation of ballots at GVP on Friday, August 9 at 8:30 a.m. Elder indicated that all directors and candidates are invited to attend the tabulation. Elder reviewed with the board the draft of prepaid metering tariff. Walch notified directors the staff will present the final prepaid metering tariff for board approval at the August meeting. Wharton informed directors the GVP annual reports were mailed out to members on July 12. She noted that members will have the option of registering online this year. Wharton updated directors on annual meeting preparations. Wharton informed directors of upcoming events for the employee charitable project this year, Operation Interdependence. She extended an invitation to the directors for the final fundraising event at 5:30 p.m. September 27 at Edgewater Brewery.

Wheeler presented the May 2019 financial reports. Haberkorn inquired why the cost of power is down. Kanda indicated power cost is down due to the reduced cost of fuels, in part due to an increased percentage of wind generation in Xcel's portfolio. Kanda summarized delinquent account and write-off activity. Kanda expressed appreciation to the board for the opportunity to attend the Xcel Energy Customer Appreciation day, along with Williams and Elder. Walch reported to the board Jackson, Thornton and Company has issued an unmodified opinion on the final audit report for the year ended December 31, 2018. Walch reported the auditors made no changes to the year end financial reports as presented to the board. He requested board action accepting the audit report and allocating 2018 margins.

MOTION: Motion by Rooks second by Haberkorn to accept the audit report for the year ended December 31, 2018; carried.

MOTION: Motion by Haberkorn second Sandeen-Hall by to approve the allocation of 2018 margins totaling \$2,152,905; carried.

3. Walch updated the directors on evaluation of the wholesale power supply market. Walch informed directors Guzman Energy has postponed the meeting with GVP until next week. Walch reported Bill Leung, wholesale power consultant, will be at GVP Monday, July 22 to review current wholesale power issues with Walch, Elder, Kanda and Williams. Walch informed the board he met with Carrie Simpson, Xcel Energy's new wholesale account representative for GVP. Carrie has considerable experience with transmission and acknowledges transmission of energy could be an issue for the Western Slope when the northwest Colorado coal plants are shut down. Walch reported he had been contacted by Diane Schwenke of the Chamber of Commerce for assistance in putting together a presentation on grid resiliency. Walch is contacting Tri-State Generation and Transmission for assistance in putting together a presentation.
4. Walch updated directors on activity of the Grand Junction Economic Partnership, citing the move of a new engineering firm to Grand Junction as well as the move of the Bureau of Land Management administrative office to Grand Junction.
5. Walch reviewed some of the topics presented at the CFC Forum, including discussion of the value people place on electricity, a study showing states with the lowest cost of electricity in proportion average income (Colorado is the lowest), and correlation between this number and the state's aggressiveness in implementing climate change regulations. He

also discussed a presentation by historian Walter Isaacson, highlighting the successes some companies have enjoyed because they were willing to disrupt their own business before an outside entity could. He noted that this is an important point to consider when evaluating power supply options. Sandeen-Hall reported the CFC Forum provided forward thinking and diverse information on rate design, equity management and global perspective of the utility industry.

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

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

6. Martinez reported he received an anonymous letter. It was reviewed by the full board, and the consensus was that no further action was necessary.

MOTION: Motion by Haberkorn second by McClaskey to convene executive session to discuss Board self-evaluation; carried.

Executive Session convened at 11:15 a.m.
Regular Session reconvened at 12:15 p.m.

7. Martinez reported the Executive Committee members met in July to discuss evaluation procedures for the CEO. Martinez also informed the board the Director Training and Education Committee met in June and discussed board training requirements as well as value of education to members in relation to the cost of attendance.

II. Legal

Kampf reported his firm assisted engineering staff with options for amending or discontinuing the agreement with PacifiCorp for energy provided by GVP for delivery to PacificCorp consumers across the Utah state line.

III. CREA/Western United

The CREA report was included in the CEO report to the board.

The Western United financials were also included in the CEO report. Haberkorn also reported Western United received its building permit for expansion of its facilities.

IV. Continuing Business

President Martinez reported the Executive Committee reviewed second quarter 2019 CEO expenses and the Finance Committee reviewed second quarter general fund disbursements and noted no irregularities.

V. New Business

Kampf notified directors he will participate with the CREA group in the Pedal the Plains fundraiser.

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

Meeting adjourned at 12:30 p.m.

Cathy Gledhill, Assistant Secretary

Rod Martinez, President