

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

Regular Meeting

July 18, 2018

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, July 18, 2018 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
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; 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; Gregg Kampf, Attorney

Minutes:

MOTION: Motion by Saunders second by Sandeen-Hall to approve the minutes of the June 20, 2018 regular meeting; carried.

Walch requested an amendment to the agenda to include an executive session to discuss personnel issues.

MOTION: Motion by Sandeen-Hall second by Spangler to approve the agenda as amended to include an executive session to discuss personnel issues; carried.

I. CEO’s Report

1. Staff members updated the board on activities in their respective departments. Wharton updated the board on preparations for the annual meeting and reported the format will remain the same as last year. Wharton informed directors Ute Water will present GVP with the Tributary Award for water and energy conservation on July 24. Wharton extended an invitation to directors to attend the presentation. Walch reported Wharton has been working on the information campaign for enhanced metering. An informational mailer will be going out in August to the 800 members affected by the initial phase of enhanced metering installation. Elder reported that a consumer has leased 31 community solar farm panels. GVP will retain the remaining ten unleased solar panels, to be used each year as the grand prize at GVP’s annual meeting. Elder also reported he has been working with wholesale power consultant Bill Leung, who has located a broker who will pay \$0.75 per REC (renewable energy credit) for current RECs. This is markedly higher

than REC values tracked in recent months, and the cooperative has more than enough RECs to meet compliance requirements, so Elder will complete a sale of a portion of GVP's excess RECs. Barlow reported he attended the Safety Strategy Lab hosted by CREA and conducted by Federated Insurance. The lab was a four-day event. Participants included Colorado cooperative safety coordinators, linemen, operations managers and CEOs. Each group spent one day in a strategy lab session discussing safety issues and responding to survey questions. The exercise is valuable because it allows each group to better understand the perspective of others. Federated will compile and collate responses and produce a report in a few months. Barlow also reported Ward Construction crew is working on the next phase of underground cable replacement at Palisade Point. Barlow updated directors on three outages occurring in the last month. Walch reviewed with the directors the current practice of setting reclosers on one-shot on the Mesa Lakes line and increased patrols by the linemen before closing in the fuse. This practice may result in more outages and longer restoration times but is necessary for safety and fire prevention purposes. Don reported 16 distributed generation interconnections were completed in the second quarter of 2018. GVP's distribution system now has a total of 316 interconnections in place with capacity of 1854 kW. Don reported the contractors have completed the Orchard Mesa substation upgrade. He also informed directors that installation of communications equipment for the enhanced metering project should start the latter part of July.

Kanda presented the May 2018 financial reports. Kanda also summarized delinquent account and write-off activity. Kanda reported the first advance of \$6,000,000 from the CFC loan was received on July 9, net of Line of Credit pay-off. Walch reported IT personnel are working on acquiring cell service booster in the headquarters facilities. He noted that linemen and servicemen use cell phones for communicating with consumers and contractors and a stronger signal is necessary for reliable coverage. Walch reported that the cost of the booster system will exceed capital budget projections by about \$5,000. It was the consensus of the board to proceed with the project, and that no budget amendment was necessary. Walch also reviewed the results of the customer service survey cards returned in the first six months of 2018. 202 cards were returned with all but 15 giving GVP employees the highest rating possible.

2. Kanda reviewed with the board pertinent ratios from the 2017 CFC KRTA (Key Ratio Trend Analysis) report.
3. Martinez requested that board review of Policy No. 33 Director Compensation be included on the agenda for the August meeting. Walch also informed directors the board calendar for July included review of legal and fiduciary obligations of directors. Since a new director will be elected at the GVP annual meeting, this review will be postponed until the August board meeting. Attorney Kampf will lead the review.

MOTION: Motion by Spangler second by Saunders to convene executive session to discuss personnel issue; carried.

Executive session convened at 10:25 a.m.

Regular session reconvened at 10:40 a.m.

4. Walch reported that the Independent Evaluator report has been filed in connection with Xcel's Colorado Energy Plan Portfolio pending before the Colorado Public Utilities Commission. Xcel representatives Jim Sack and Tim Kawakami have scheduled a conference call to review financial impacts of the plan for GVP.

5. Walch revisited the Safety Strategy Lab discussion. He noted that only six of the CEOs attending the session in 2018 were present when the same exercise was conducted by CREA and Federated in 2012. At that time there were only three employee groups participating, as most Colorado cooperatives did not employ safety coordinators. These factors indicate that cooperatives have taken ownership of their safety programs.
6. Walch informed the board that Diane Schwenke, Executive Director of the Grand Junction Chamber of Commerce, made a request to GJEP (Grand Junction Economic Partnership) board to endorse the lodging tax increase from 3% to 6% on the November ballot. Walch reported the GJEP board approved the endorsement. Walch asked the GVP board if it would support the lodging tax issue as well as a \$250 contribution for a media campaign to provide the general public with information regarding the initiative. It was the consensus of the board to endorse the lodging tax increase and contribute \$250 for the media campaign.

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

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

II. Legal

Kampf reported his firm completed the filing of the CFC loan documents. Kampf also relayed his firm is assisting with development of a cyber security policy as required by recent legislation.

III. CREA/Western United

Martinez reported Liz Fiddes reported to the CREA board on the Youth Tour and reinforced the value of this leadership camp. Western United's next meeting and Fish Fry is August 30.

IV. Continuing Business

None

V. New Business

None

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

Meeting adjourned at 11:35 a.m.

Cathy Gledhill, Assistant Secretary

Rod Martinez, President