

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

Regular Meeting

November 18, 2020

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, November 18, 2020 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:

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| 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; Matt Williams, Engineering 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; Mark Shaffer, Operations Supervisor; Karen Allen, Information Technology Manager; Tonya Archuleta, Applications Analyst; Gregg Kampf, Attorney; Eric Anderson, CFC Regional Vice President.

MOTION: Motion by Haberkorn second by Martinez to approve the minutes of the October 21, 2020 regular meeting; carried.

MOTION: Motion by Mease second by McClaskey to approve the agenda; carried.

I. Guests and Public Comments

Walch noted that Eric Anderson, CFC Regional Vice President, will be joining via video conference to present a report on GVP's Key Ratio Trend Analysis (KRTA) as compiled by CFC.

II. CEO's Report

Staff Reports

Walch discussed current staffing levels due to the spike in COVID cases in Mesa County. Wharton explained how GVP is following its continuity plan continuing to provide customer service while working to ensure a safe workplace. Walch stated that GVP's lobby will be open by appointment only beginning on Monday, November 23. Walch noted that GVP will continue to follow Mesa County Health Department's protocols and evaluate business functions as necessary.

Member Services – Elder shared that ProSpace completed a remodel of the CSR cubicles that has provided better access to the space and created an additional space for the Benefits Administrator to improve privacy for conversations relating to personnel. Elder reviewed the Past Due Accounts

Receivable report and noted that past due balance levels continue to track at or below 5-year average levels. Elder provided an update on business continuity plan staffing levels for the member services department.

Communications – Wharton reported on the Hometown Relief Fund awards. Wharton reminded directors that due to COVID, Cashback Credit check presentations will not be scheduled for in-person presentations this year. Wharton shared that GVP will work with School District 51 to create a social media post that can be shared by both organizations regarding the Cashback Credit check. Wharton noted that the NRECA Youth Tour, scheduled for June in Washington, D.C., has been cancelled and instead CREA will work to create an event that will replace the national youth tour with a Colorado Youth Tour. Wharton shared that 2021-2022 scholarship applications will be available on GVP's website beginning on December 1.

Engineering – Williams reported continuity plan staffing level details for the engineering department. Williams noted that employees will be rotating so that half of the staff is working in the field while the other half works from the office. Williams provided the quarterly report on distributed generation interconnections and noted that over 500 systems are interconnected with GVP's distribution system.

Operations – Shaffer provided continuity plan staffing levels for the operations department. Shaffer shared that linemen and crews will work staggered shifts to minimize the contact between the crews to help minimize the spread of COVID in the event that an employee contracts COVID. Barlow provided an update on the outages from an early snowstorm on October 25 and reported that GVP outage times were significantly reduced due to aggressive tree trimming efforts.

Warehouse – Billiet provided a continuity plan staffing update for the warehouse. Billiet shared that each warehouseman would be assigned to a specific crew to help minimize contact between the crews.

I.T. – Allen shared that the I.T. department reassigned several laptops to support remote work duties as necessary. Allen noted that the I.T. department employees will alternate working remotely.

Finance – Michalewicz provided a summary of monthly financial reports. Kanda reported on disconnects and bad debt write-offs and provided a staffing update for the finance department.

Walch reported that accounting and management staff members met with representatives from Citizens State Bank and have followed recommendations to apply for Paycheck Protection Program loan forgiveness in 2021.

Walch introduced Eric Anderson, CFC Senior Vice President. Anderson provided a summary of GVP's 2019 Key Ratio Trend Analysis.

Department managers presented the preliminary 2021 department budgets. Walch indicated that the Board Finance and Audit Committee will meet prior to the December board meeting to review and discuss the proposed budget in further detail. He noted that directors with questions and concerns about the budget should share those with a member of the committee.

Walch shared that the Governor's proposed budget has increased funding for wildfire mitigation. Walch noted that his hope is that GVP has the opportunity to share in the funds to help increase right-of-way clearing on public lands. Martinez shared proposed legislation that identifies an additional fee per mile of line that crosses public land. Walch reported that his applications seeking appointment to the redistricting commissions have been submitted. Walch noted that he received strong recommendation letters from several community leaders.

Walch shared correspondence from Xcel Energy regarding an increase in fuel costs that was passed along to GVP. Walch noted that GVP did not pass along the entire cost to members on their October bills, but indicated that members will see an increase on their November bills due to the increase in

fuel costs from Xcel Energy. Walch noted that GVP continues to collaborate with other utilities to evaluate wholesale power supply options. Walch noted that GVP's priority with any wholesale power supply option is a reliable source of power and stable, affordable rates.

Walch reported that the CMU Foundation approached GVP to request that GVP consider contributing to the Mesa Scholarship Initiative. The CMU Foundation is asking for a five-year, \$5,000 per year commitment from GVP. Walch stated that Mesa County high school graduates continue to lag state and national college attendance rates. Walch noted that the initiative establishes an endowment that will provide scholarships for Mesa County residents.

Haberkorn expressed appreciation for the Foundation and supports the proposal. VanWinkle asked if finances are the reason that District 51 students lag statewide averages for post-secondary education. Walch noted that the Foundation presentation indicated that finances are a significant factor that could help close the gap with statewide averages. VanWinkle is in favor of the Foundation proposal but encourages directors and the community to continue to push for other programs and resources that will help address the underlying problem. Sandeen-Hall shared that District 51 and Colorado Mesa do collaborate to offer concurrent enrollment programs that help high school students get a head start on colleges courses in pursuit of a degree. She also shared that CMU is actively engaging with non-traditional students to help them pursue college degrees.

MOTION: Motion by Haberkorn second by Martinez to approve a five-year, \$5,000 per year commitment from Grand Valley Power to the CMU Foundation for the Mesa Scholarship Initiative; carried 7-1.

Walch reported that Poudre Valley REA received an innovation award for a micro-grid project. Walch noted that GVP has contemplated a similar project for the Glade Park area. Walch stated that GVP will work with Poudre Valley to understand best practices and evaluate the best options for GVP members.

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

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

III. Consider Defined Benefit Plan Voluntary Contribution Acceleration Program (VCAP)

Walch shared that directors at last month's board meeting expressed interest in prepaying \$1 million to NRECA's Voluntary Contribution Acceleration Program for defined benefit plan expenses. Walch noted that details regarding the program along with a history of returns earned by the pension plan over the past 20+ years were distributed to directors with the board packet material last week. Walch noted that projections based on historical trends indicate that GVP would save about \$180,000 over a five-year period with a prepayment amount of \$1 million. Walch shared that staff has consulted with the auditor Kevin Kelso and he approves management's proposal to amortize the payment over a five-year term.

Haberkorn shared that he believes GVP should maximize the benefit by prepaying \$1 million for either a 4- or 5-year premium savings period as recommended by staff. Martinez expressed appreciation to staff for identifying cost-saving measures.

MOTION: Motion by Mease second by Rooks to approve a prepayment of \$1 million to NRECA's Voluntary Contribution Acceleration Program for the payment of defined benefit plan premiums as determined by the CEO for either a 4- or 5-year premium savings period; carried.

IV. Review Proposed Revision to Policy Bulletin No. 101 – Safety

Sandeen-Hall asked directors to consider postponing the review of Policy Bulletin No. 101 – Safety for review at the December 16, 2020 board meeting. The consensus of the board was to postpone the review to next month's meeting.

V. Review New Proposed Policy Bulletin Regarding Employee Tuition Reimbursement

Sandeen-Hall asked directors to consider postponing the review of the Employee Tuition Reimbursement Policy for review at the December 16, 2020 board meeting. The consensus of the board was to postpone the review to next month's meeting.

VI. Attorney's Report

Kampf reported that pole attachment agreement negotiations continue with Charter. Kampf noted that Williams has proposed some changes to the agreement to include compliance with code and penalties for non-compliance with the code.

VII. CREA Report

Martinez noted that the CREA board report was included with the board report. Martinez noted that Sangre de Cristo Electric is adding a fee to its member's bills to help cover costs for wildfire mitigation. Martinez noted that GVP's donation received a bid of \$250 for the CARE auction. Martinez stated the board continues to discuss the youth tour and camp funds. Martinez shared that Kelso was retained as the auditor for CREA for the next 3 years.

The CREA Annual Meeting will be virtual. Martinez stated that the Bolivia fund was allocated to a fund to benefit co-op employees who lost their homes or suffered home damage due to the wildfires. The funds could also go to co-op employees who were displaced due to the wildfires and first responders suffering losses due to the wildfires. Local organizations who responded to the wildfires could also receive funds. Funds will be awarded by the Colorado Electric Education Institute (CEEI).

VIII. WUE Report

Haberkorn noted the WUE report was included in the board packet.

IX. Continuing Business

None.

X. New Business

None.

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

Meeting adjourned at 1:45 p.m.

Derek Elder, Assistant Secretary

Carolyn Sandeen-Hall, President