

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

Regular Meeting

January 18, 2017

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, January 18, 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	absent
Sylvia Spangler	present
John Gormley	present
Dennis Haberkorn	present
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; SueEllen Manley, Purchasing, Materials and Compliance Manager; Steve Don, Manager of Engineering; Matt Williams, Staff Engineer; Mike Birch, Operations Manager; Bill Byers, Consumer/Public Relations Manager; Derek Elder, Member Services Manager; Gregg Kampf, Attorney.

Minutes:

**MOTION:** Motion by Sandeen-Hall second by Haberkorn to approve the minutes of the December 14, 2016 regular meeting; carried.

**MOTION:** Motion by Martinez second by Haberkorn to approve the minutes of the December 14, 2016 special meeting; carried.

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

I. CEO's Report

1. Walch apprised directors that in the wake of Grizzly Steppe cyber activity and more sophisticated cyber hackers and terrorists, users should be more aware of phishing and terrorist techniques. Allen conducted a review of cyber security measures. Fix informed directors the Work Management project is underway to revamp staking sheet and work order process for increased efficiencies. Don reported GVP has tied in 13 more distributed generation interconnections last quarter for a total of 225 interconnections to date. He also updated directors on 69 kV transmission pole issues. Engineering and operations personnel are currently pursuing two parallel paths. Engineering is working with BLM to obtain permits to relocate transmission line, while monitoring the pole's stability. Third party

engineers have evaluated hillside and affirmed the hill is stable at present time, but could shift. Should the hill start to shift, GVP will take emergency measures to relocate pole. Birch displayed photographs and illustrated to directors how operations personnel and contractor have improved the pole's stability with relocation of anchors. Walch and Williams presented a report on GVP's five-year outage history. In 2016, GVP's outage minutes were up over recent years, with a SAIDI total of 93.4. GVP's goal is under 60 minutes per consumer, while RUS standard is under 120 minutes per consumer. Williams noted that Xcel power supply and transmission outage minutes accounted for 17 minutes, up considerably from recent years. Without these power supply outages, GVP's reliability numbers would have been considerably better than the statewide and national averages. Birch informed board Bill Barlow and Mark Shaffer are participating in the CREA Leadership program. Byers updated directors on the Youth Tour and Youth Camp applications. The Member and Community Relations Committee selected Kianna Colaiza, from Grand Junction High School, to attend the NRECA Washington DC Youth Tour as GVP's representative. Aspen Welker, from Gateway School and Emme Brown from Fruita Monument High School were tabbed to attend the CREA Youth Camp. Byers also informed directors 2016 recipient, Ford Atkinson, will be returning to the Youth Camp this year as an Ambassador. Byers reviewed results of 2016 follow up surveys for operations and engineering contacts, noting that 95 % of respondents rated GVP service at the highest level. The follow up surveys will be expanded to include member services contacts. Byers reported GVP scholarship applications are due March 1. The Member and Community Relations Committee agreed GVP will again ask retired educators to serve on the scholarship selection committee. Walch informed directors of GVP consumer who has extra funds and would like to contribute to GVP scholarship program. Walch reported Kampf will present consideration of establishing 501(c) 3 organization. Elder relayed to directors staff will initiate posting and advertisement for Communications Specialist position by the end of the week. Elder updated board on GVP Renewable Energy Credits (REC) and reported that GVP has more than enough RECs to meet requirements of Colorado law. Elder updated directors GVP has negotiated with Grid Alternatives for the final phase of the low income community solar facility, with no additional funding required by GVP, other than installation of meter and signage. Walch has given preliminary approval. The final phase of construction is planned for March 2017, using volunteer students from Beloit University. Grid Alternatives and the Colorado Energy Office will be recognizing GVP's leading role in bringing low income community solar to the state. Gormley commended Walch and staff for high visibility and positive public relations from its participation in community solar farm. Walch commended Elder for development of mission statement graphic presentation in lobby and board room. Kanda presented the November 2016 financial reports, and summarized delinquent account and write-off activity. He also reported \$1,207,000 of the \$1.4 million capital credit refund checks have been cashed.

**MOTION:** Motion by O'Connor second by Martinez to authorize CEO Walch to execute the agreement with Grid Alternatives for final phase build out of Community Solar Farm; carried.

2. Walch relayed to directors the union contract employees will receive the \$1,000 safety incentive as employees achieved a DART rate of 0 for 2016.
3. Walch reviewed 2017 Management Objectives, requesting board input on amending and prioritizing the objectives. Gormley requested an additional bullet for monitoring and periodic reporting regarding progress on established strategic initiatives. He also noted that

focus on safety excellence should be a high priority. Board also requested an additional bullet for cyber security awareness to be listed beneath succession planning. Haberkorn emphasized continuing the progress of reducing employee reliance on deferred benefit plan. Walch commented the board has relayed that message with the recently completed contract negotiations. Board recommended adding objective of reaching out to local government officials to amend tree trimming policies to remove trees within utility ROW. Gormley encouraged directors to review objectives for further recommended changes.

4. Directors discussed process of CEO evaluation. Board members requested Walch complete a self-evaluation. Gormley requested directors complete an individual evaluation for Walch by February 1<sup>st</sup>, prior to review of Walch's self-evaluation.

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

## II. Legal

Kampf reported he watched a video on FCC ruling on robo-calls, so he has the background for personnel questions regarding the issue. Kampf addressed the creation of a 501(c) 3 organization for charitable contributions from consumers. The board consensus was that a charitable foundation should not be pursued. It was recommended that GVP work with the CMU Foundation or McConnell Math and Science Center to facilitate the consumer's contribution.

Walch reviewed the revised Policy No. 33 on director compensation and travel.

**MOTION:** Motion by Martinez second by Spangler to approve revised Policy No. 33. McClaskey relayed he was more comfortable with \$800 total monthly compensation. Call for Question. Motion carried; 6 to 1, with McClaskey opposed.

At board member's request, Gormley appointed Sandeen-Hall to the Member and Community Relations committee.

## III. CREA/Western United

No CREA board meeting. Western United financials were included in board packet and Haberkorn reported he will attend February meeting.

## IV. Continuing Business

Directors reviewed travel requests. Walch commented that he will represent GVP at the May legislative conference in Washington DC.

**MOTION:** Motion by Sandeen-Hall second by Haberkorn to approve 2017 directors' travel requests; carried.

## V. New Business

None

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

Meeting adjourned at 12:00 p.m.

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Cathy Gledhill, Asst. Secretary

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John Gormley, President