

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

Regular Meeting

August 18, 2021

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, August 18, 2021 at 845 22 Road, Grand Junction, Colorado. President Sandeen-Hall called the meeting to order at 8:00 a.m. Attendees recited The Pledge of Allegiance.

ROLL CALL:

Joe Burtard	present
Rod Martinez	present
Don McClaskey	present
Jesse Mease	present
Bill Rooks	present
Carolyn Sandeen-Hall	present
Sylvia Spangler	present
Janie VanWinkle	present
Brian Woods	present

Others present: Tom Walch, CEO; Derek Elder, Corporate & Member Services Manager; Christmas Wharton, Communications Manager; Matt Williams, Engineering Manager; Gary Billiet, Purchasing and Warehouse Manager; Pat Kanda, Finance Manager; Bill Barlow, Operations Manager; Karen Allen, Information Technology Manager; Tonya Archuleta, Applications Analyst; Joe Michalewicz, Controller; Thomas Wright, Staff Engineer; Gregg Kampf, Attorney.

Sandeen-Hall congratulated Mease and Rooks on being re-elected and introduced Brian Woods and welcomed him to the Grand Valley Power Board of Directors. Sandeen-Hall thanked Dennis Haberkorn for his 24 years of service to the board.

MOTION: Motion by Martinez second by Mease to approve the minutes of the July 21, 2021 regular meeting; carried.

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

I. Guests and Public Comments

Jason Audette – KLJ Engineering; Audette thanked the board for the opportunity to attend the meeting.

II. CEO's Report

Staff Reports

Communications – Wharton thanked everyone involved in hosting the annual meeting. Wharton shared that surveys have been sent to all attendees and a full recap of those surveys would be provided at the September meeting. Martinez shared appreciation from the members who attended the meeting. Mease noted that he received positive feedback on the video presentations. Sandeen-Hall inquired how many have viewed the annual meeting recap video. Wharton noted that to-date 36 viewers have accessed the video on the GVP website.

Operations – Barlow stated that Ward Construction has completed construction of a line upgrade along Kannah Creek. Barlow shared information regarding three outages that were reported in the past month. Barlow noted that two of the three outages were caused by lightning. Barlow shared appreciation for the opportunity to attend a virtual safety leadership summit along with GVP construction foremen Trevor Lettman and Matt Mason.

Warehouse – Billiet noted that lead times and costs for materials and equipment continue to increase. Billiet reported that GVP continues to build inventory levels high to help offset increasing lead times.

Information Technology – Allen provided an overview of the Rural Cooperative Cybersecurity Capabilities (RC3) program. Allen noted that NRECA selected GVP to participate in the pilot program and GVP continues to use the program to strengthen its approach to cybersecurity. Allen highlighted GVP cybersecurity enhancements resulting from participation in the program and noted a couple of areas where we will focus on continued improvement.

Engineering – Williams reported that GVP is now receiving credit from Xcel Energy for the energy and demand from the Ute Water hydro project. Williams noted that GVP still does not have a wheeling agreement with Xcel Energy. Until such an agreement is in place, Xcel Energy cannot charge for wheeling.

Finance – Kanda provided a summary of the monthly financials. Kanda reported on the disconnects and write-offs. Kanda noted that the wholesale power supply surplus account has been used to help mitigate high power costs for our members over the past few months. Walch noted that GVP uses the account to help level out power costs fluctuation for members, and is reconciled over a rolling 12-month period. Wheeler reported that insurance and retirement premium adjustments will be presented at the September board meeting.

Member Services – Elder provided a summary of the consumer survey results from June and July. Elder noted that GVP uses the survey results to look for opportunities to improve customer service and align training opportunities to reinforce the importance of great customer service. When customer service is good, it also reinforces this fact with consumers completing surveys.

Power Supply – Walch noted that GVP is working with John Krajewski to modify the first draft of the power supply RFP. Based upon prior discussions at the board, Walch indicated that the RFP would focus on soliciting responses for an all-requirements contract, but would include provisions allowing for carve-out of a percentage of its energy requirements. By consensus, the board approved this approach.

Walch reminded directors that the NRECA Regional meeting is scheduled for September 28-30, 2021 and made available virtually on September 29-30, 2021.

Walch reported that Grand Junction Economic Partnership (GJEP) Executive Director Robin Brown has announced her resignation from that position to accept a similar position at the CMU Foundation. Walch noted Brown's accomplishments at GJEP and indicated that he will participate on the executive search committee to find her replacement. Walch noted that GJEP's Economic Summit will be held at Two Rivers Convention Center on September 30. GVP will once again be a sponsor of the event, and directors were encouraged to attend.

Walch shared that GVP received its 2020 KRTA report from CFC. Walch noted that CFC Regional Vice President will be on hand at the October GVP board meeting to provide an in-depth review of the report.

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

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

III. Discuss Committee of the Whole to Study Power Supply Planning

Sandeen-Hall shared appreciation for director input on the power supply planning survey. McClaskey inquired about the current timeline for the RFP process. Walch noted that the timeline is to release the RFP on Friday, August 20 with a board decision coming in December. Sandeen-Hall noted that a committee discussion will follow the board meeting.

IV. Approve 2022-2025 Construction Work Plan

Wright provided an overview and summary of the 2022-2025 Construction Work Plan. Burtard inquired if the projects will be built by GVP or contractor crews. Wright noted that GVP crews will construct the projects as time permits with contractors completing the larger projects.

MOTION: Motion by Martinez second by Rooks to approve the 2022-2025 Construction Work Plan as presented; carried.

V. Adopt Amendment of GVP Rules and Regulations

Williams provided an overview of proposed changes to rules and regulation regarding idle services, including a minimum 18-month connection or access charge commitment to retain idle services. Walch asked for input on the proposed rules and regulations regarding idle services. VanWinkle noted that she reviewed documentation provided by staff regarding existing services that have been idle for more than three years, and indicated that she did not oppose adoption of the revised rules and regulation. Martinez inquired if priority will be given to the oldest idle services if the changes are approved. Walch noted that crews are busy with new construction and upgrades, and absent safety concerns, idle service retirements would not be a priority. In the future these retirements will be managed by the operations department to be handled as efficiently as possible. It is not anticipated that these idle services will be retired based solely on age.

MOTION: Motion by Spangler second by Martinez to approve the amendments of GVP Rules and Regulations as presented; carried.

VI. Adopt Proposed Distributed Generation Interconnection Procedures and Standards

Walch noted that the PUC is still drafting the rules and standards and therefore GVP would continue to work with legal counsel to update its procedures and standards as the drafting process progresses.

VII. Election of Officers

President Sandeen-Hall turned the meeting over to General Counsel Kampf to conduct the election of board officers.

Kampf asked for nominations for the Board President.

MOTION: Motion by VanWinkle second by Burtard to nominate Sandeen-Hall as President and elect her by acclamation; carried.

Kampf turned the meeting back to President Sandeen-Hall.

Sandeen-Hall asked for nominations for the Board Vice-President.

MOTION: Motion by McClaskey second by Mease to nominate VanWinkle as Vice-President and elect her by acclamation; carried.

Sandeen-Hall asked for nominations for the Board Secretary-Treasurer.

MOTION: Motion by Burtard second by Martinez to nominate Mease as Secretary-Treasurer and elect him by acclamation; carried.

VIII. Appoint Delegates to Affiliated Organizations

Sandeen-Hall asked for nominations for delegates to CREA and WUE.

MOTION: Motion by Mease second by McClaskey to appoint Martinez as GVP's delegate to Colorado Rural Electric Association; carried.

MOTION: Motion by Martinez second by Spangler to appoint Mease as GVP's delegate to Western United Electric Supply Corporation; carried.

Sandeen-Hall asked for nominations for alternate delegates to CREA and WUE.

MOTION: Motion by McClaskey second by Spangler to appoint Mease as GVP's alternate delegate to Colorado Rural Electric Association, Martinez as GVP's alternate delegate to Western United Electric Supply Corporation, and Burtard as the second alternate delegate for both organizations; carried.

IX. Attorney's Report

Kampf reported that his firm is working with Williams on the distributed generation interconnection tariff. Kampf noted that GVP received a request for load information from the Energy Information Association. Kampf shared that he worked with Chadwick Steinkirchner and Davis to tally the ballots and certify the election. Mease inquired whether CenturyLink has responded to GVP's proposed pole attachment agreement. Kampf noted that CenturyLink has not responded at this time. Kampf shared appreciation for the recognition at the annual meeting.

X. CREA Report

Martinez reported that CREA did not have a meeting in July. Martinez inquired if GVP would like to purchase an item for the CARE auction to be held at the CREA Fall Meeting. Martinez noted that CARE is a political action committee that promotes electric cooperatives and helps support rural values.

MOTION: Motion by Martinez second by Mease to purchase a Setting the Mark print by Lone Cone Photography to be donated to CREA in support of the CARE Auction; Carried 7-1 with VanWinkle opposed.

MOTION: Motion by Martinez second by VanWinkle to purchase a photo book to be donated to CREA in support of the CARE Auction; carried.

Sandeen-Hall noted that the auction will take place at the CREA Fall Meeting. Sandeen-Hall encouraged directors to participate in the Fall Meeting if their schedules permit.

Martinez reported that GVP would see an increase in its annual CREA membership dues. He asked for director views on whether CREA provides value to GVP commensurate with the amount of its dues. VanWinkle inquired if CREA provides a menu of service options. Martinez noted that the *Colorado Country Life* is a separate fee-for-service item and is not included in CREA dues. Martinez indicated that the CREA membership includes the Safety and Loss Control program, employee training programs, educational and youth programs, and legislative support. Mease inquired if GVP will have input in the selection process for personnel as employees are retiring at CREA, such as the current opening for its Director of Government Relations. Martinez acknowledged that legislative representation is an important piece of CREA's value to GVP and that he would press to have input in the legislative direction at CREA. CREA board members will have input into

organizational structure related to the Government Relations Department, but actual hiring decisions are delegated to the organization's executive director. VanWinkle inquired if CREA provides value since GVP is hiring individual lobbyist to represent GVP's interests. Sandeen-Hall opined that GVP needs CREA government relations support to represent GVP's interests on a daily and ongoing basis along with a lobbyist who would represent GVP's interests in relation to specific interests. VanWinkle noted that stated goals in support of GVP and its rural values should be developed to provide direction for government relations initiatives. VanWinkle asked if GVP is getting value with CREA. Mease expressed support for the safety and loss control program and feels that GVP can create change that is impactful at CREA through an active membership.

XI. WUE Report

Sandeen-Hall noted the WUE report was included in the board packet.

XII. Continuing Business

None.

XIII. New Business

Sandeen-Hall shared thank-you notes from HopeWest and local 4-H participants in the Livestock Sale.

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

Meeting adjourned at 11:50 a.m.

Derek Elder, Assistant Secretary

Carolyn Sandeen-Hall, President