

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

Regular Meeting

December 15, 2021

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, December 15, 2021 at 845 22 Road, Grand Junction, Colorado. President Sandeen-Hall called the meeting to order at 9:00 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; Gary Billiet, Purchasing and Warehouse Manager; Karen Allen, I.T. Manager; Tonya Archuleta, Applications Analyst; Pat Kanda, Finance Manager; Joe Michalewicz, Controller; Sarah Wheeler, Accountant/Benefits Administrator; Christmas Wharton, Communications Manager; Bill Barlow, Operations Manager; Matt Williams, Engineering Manager; Thomas Wright, Staff Engineer; Gregg Kampf, Attorney; Jeff Hurd, Attorney.

MOTION: Motion by Rooks second by McClaskey to approve the minutes of the November 17, 2021 regular meeting; carried.

Walch requested the agenda be amended to include (1) approval of an extension of an agreement with Asplundh Tree Experts for tree trimming services, (2) approval of a letter agreement for professional consulting services with John Krajewski from JK Energy Consulting, LLC and (3) approval of an engagement letter for General Legal Counsel services with Jeff Hurd from Ireland Stapleton Pryor & Pascoe, PC.

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

I. Guests and Public Comments

None.

II. CEO's Report

Staff Reports

Information Technology – Allen provided a cybersecurity update with a focus on the aftermath of a recent cyberattack on a Colorado cooperative. Allen described steps taken to prevent similar issues at GVP, including installation of updates and patches, training employees on how to identify and avoid phishing attempts, and data backup procedures. She noted that GVP is in process of engaging a third-party consultant to make sure that GVP's systems will stand up against a similar attack.

Allen reported that key staff members met on December 9 to review Grand Valley Power's Information Security Incident Response Plan. Allen shared that the plan is a byproduct of NRECA's initiative to help cooperatives improve information technology security. Mease inquired if GVP has finished its network segmentation and upgrade. Allen noted that GVP has begun the process and will be working towards finalization of network segmentation, and is on track to complete the process in 2023.

Michalewicz reported on GVP's cybersecurity insurance policy application. Michalewicz also noted that GVP should qualify for expanded wildfire insurance coverage.

Operations – Barlow provided an update on outages relating to high winds. Barlow also reported on a vehicle accident that broke a pole and disrupted GVP's internet service on December 6. Barlow reported that Ward Electric will be working to rebuild line in the Collbran area later this month. Barlow noted the Iron Wheel subdivision near Fruita is complete and energized.

Barlow presented a summary of the Asplundh tree trimming contract extension. Walch expressed appreciation for Barlow's negotiation of a fair deal that controls GVP's expenses.

MOTION: Motion by Martinez second by Spangler to approve a one-year extension of the Asplundh tree trimming contract; carried.

Engineering – Williams provided an update on GVP's system improvements along G Road. Williams noted that future development will increase load on GVP's distribution system in the area and GVP continues to develop plans to keep the system robust to meet future needs.

Finance – Kanda provided a summary of the monthly financials and reported on monthly disconnects and write-offs. Kanda reported that GVP drew down \$4.5M on its power vision loan with CFC. Kanda noted that Cashback Credit checks were mailed to members on December 10.

Communications – Wharton noted that the lobby redesign will be complete by the end of the year. Wharton reported that scholarship applications are being accepted with a deadline of March 1 for the Jack Broughton, GVP, and WCCC scholarships. Wharton noted that the lineworker scholarship will be open through June 1.

Wharton shared the communications plan and timeline for the rate restructuring, pending approval of rate changes by the board. Wharton noted the communications plan includes development of personas that will target communications to members with like characteristics.

Member Services – Elder reported that GVP filed its 2021 Environmental Report with the City of Grand Junction on November 15 in accordance with its franchise agreement. Elder noted that GVP negotiated an agreement to sell first-half 2021 wind renewable energy credits (RECs) for \$4.00 per REC. Elder noted that the value of RECs continues to rise and GVP sells excess RECs to help reduce wholesale power supply expenses. Elder provided a summary of GVP's plan to work with distributed generation consumers to allocate banked kilowatt hours if the rate restructure is approved. Elder stated that the review of NREL's PVWatts calculator based on average production from solar in Grand Junction confirmed that 6.95% of the local production takes place between 4:00 pm and 9:00 pm. Elder shared that GVP plans to allocate any banked kWh after the April billing cycle at a ratio of 90:10 – 90% allocated to the off-peak bank and 10% to the on-peak bank. Elder noted that the allocation is a one-time allocation and future banked kWh will be tracked based on actual production and consumption.

Elder reported that staff is working with attorney Jeff Hurd to review cooperative reform legislation passed in 2021 to make sure GVP's bylaws are compliant with requirements in the legislation. Elder stated that if necessary, a special meeting board meeting will be convened to discuss and vote on any required bylaw amendments.

Legislative Update – Walch provided an update on the OSHA vaccine mandate.

Power Supply Update – Walch shared that John Krajewski continues to work with respondents to GVP’s power supply Request for Proposal. Walch stated that additional cost savings may be available by working with other utilities that require generation assets to meet winter peaks, as this could complement GVP’s summer peak power requirements. Walch noted that GVP will continue to seek a deal that is most beneficial to the membership. Mease inquired how the recent news of United Power providing notice to exit its contract with Tri-State affects the wholesale power supply markets. Walch noted that each utility is unique in its load profile and consumer base. Walch shared that Grand Valley Power’s load supply is reliable and predictable which should make it an attractive load to serve. Walch shared that staff will continue to evaluate priorities in power supply. Walch asked directors to consider bringing in an outside consultant to present on power supply risks as it relates to transmission, generation, and firm capacity. The consensus of the board was to assign Walch and Hurd to identify a third-party to provide such a presentation for directors.

JK Energy Consulting, LLC Letter Agreement – Walch shared that Bill Leung is retiring at the end of the year. Walch noted that Leung has served as GVP’s consultant regarding power supply issues. Walch presented a letter agreement from John Krajewski to have JK Energy Consulting LLC provide professional consulting services relating to power supply. Walch noted that Leung has recommended Krajewski to serve in this role.

MOTION: Motion by Martinez second by McClaskey to authorize Tom Walch to execute the Letter Agreement with JK Energy Consulting LLC to provide professional consulting services; carried.

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

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

III. Finance and Audit Committee Report

Mease reported on the Finance and Audit Committee’s review of the 2022 budget and work plan.

MOTION: Motion by Mease second by Rooks to approve the 2022 budget and work plan; carried.

IV. Review and Approve Revised Tariffs

Walch provided a summary of the proposed revised tariffs. Walch noted that the proposed changes are necessary to meet rising costs and are designed to provide fair cost recovery from GVP members.

MOTION: Motion by Martinez second by Burtard to approve Resolution 21-03 – Authorization to Approve Revised Tariffs, including Exhibit A; carried.

MOTION: Motion by Woods second by Mease to approve Resolution 21-04 – Authorization to Approve Electric Vehicle (EV-TOU) Tariff, including Exhibit A; carried.

V. Approve 2022 Director Training and Travel

Sandeen-Hall thanked directors for identifying 2022 conferences and meetings they would like to attend.

MOTION: Motion by Mease second by Martinez to approve the 2022 director travel and training requests; carried.

VI. Approve 2022 Board Calendar

Sandeen-Hall noted that the 2022 board calendar was distributed to each director. Walch shared that the regularly scheduled board meeting in December 2022 is scheduled for December 21 and asked directors if they would like to consider changing this date to minimize holiday scheduling conflicts. The consensus of the board was to move the December meeting to December 14 in 2022.

MOTION: Motion by McClaskey second by Woods to approve the 2022 board calendar with the change of the December meeting from the third Wednesday to the second Wednesday; carried.

VII. Review Proposed Revisions to Policy Bulletin No. 92 – Consumer Complaint Procedure

Elder provided a summary of Policy Bulletin No. 92 – Consumer Complaint Procedures. Elder noted that the current policy requires a member to file a written formal complaint. Elder shared that GVP's practices are to communicate with members in a less formal manner – typically the forum used by the member contacting GVP with a complaint. Elder noted that GVP staff has been and continues to be receptive to listening to members when they have complaints. Elder shared that staff recommends a continuation of business practices with a possible revision of the policy presented later this year to reflect current practices. The consensus of the board was to continue with current practices and consider a policy revision for review at a later date.

VIII. Attorney's Report

Walch stated that the Ireland Stapleton Pryor & Pascoe, PC engagement letter was included in the board packet.

MOTION: Motion by Martinez second by Woods to approve the Engagement Letter with Ireland Stapleton Pryor & Pascoe, PC to provide general counsel services; carried.

Kampf shared that his firm has worked with Wharton to review the Notice of Tariff changes that are published in The Daily Sentinel. Kampf stated that he continues to work with Williams on the CenturyLink pole attachment agreement. Kampf expressed appreciation to Grand Valley Power for having a great partnership with his firm over the past 35 years.

IX. CREA Report

Martinez noted that the CREA minutes were provided in the board packet. Martinez reported that David Ball resigned his position as Chief Financial Officer.

X. WUE Report

Mease stated that the Western United minutes were provided in the board packet. Mease shared that WUE is on a seven-year retirement cycle for patronage capital.

XI. Continuing Business

None.

XII. New Business

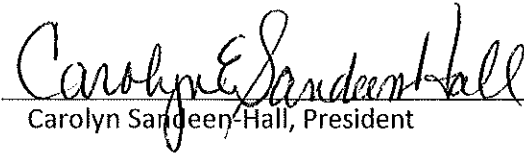
None.

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

Meeting adjourned at 12:39 p.m.



Derek Elder, Assistant Secretary



Carolyn Sandeen-Hall, President