

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

Regular Meeting

October 20, 2021

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, October 20, 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; Pat Kanda, Finance Manager; Joe Michalewicz, Controller; Sarah Wheeler, Accountant/Benefits Administrator; Bill Barlow, Operations Manager; Thomas Wright, Staff Engineer; Gregg Kampf, Attorney; Jeff Hurd, Attorney.

MOTION: Motion by Martinez second by Mease to approve the minutes of the September 15, 2021 regular meeting; carried.

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

I. Guests and Public Comments

Sandeen-Hall thanked Eric Anderson, CFC Regional Vice President, for attending the meeting to provide a review of GVP's 2020 Key Ratio Trend Analysis (KRTA). Sandeen-Hall also noted that John Krajewski will be joining the meeting via virtual platform to provide a review of power supply RFP responses in executive session.

Walch presented Sandeen-Hall with a NRECA Board Leadership certificate and thanked her for her commitment to continuing education.

Martinez thanked Eric Anderson and CFC for the \$20,400 donation to the Colorado Electric Educational Institute.

II. CEO's Report

Staff Reports

Member Services – Elder shared that GVP will launch the 2022 Youth Camp program on November 1. Elder stated that GVP has officially launched the Ride & Drive Experience to introduce the new Mach-e electric vehicle to employees and directors. Elder also shared communications regarding Halloween and Operation Interdependence events that employees and directors are invited to join and support.

Elder noted that GVP may have opportunities to strengthen its connection with members as the cooperative explores possible rate restructuring. Elder shared that consumers will look to GVP to provide support and expertise for things such as programmable thermostats and timers if GVP transitions to time-of-use rates. Elder stated that the Member Services department will be planning and exploring options for energy services that will help the members adjust to time-of-use rates and possibly save money.

Operations – Barlow reported that the operations department will be participating in the Fruita Truck n’ Treat event on Saturday, October 23. Barlow discussed the outage that affected 900 members on Thursday, October 7. Barlow shared that GVP will be working closely with a contractor who will be utilizing a drone to inspect substations and powerlines.

Warehouse – Billiet reported that the warehouse completed the annual inventory process and recorded less than 0.5% variance.

Finance – Kanda provided a summary of the monthly financials. Kanda reported on the disconnects and write-offs. Kanda shared that preliminary department budgets will be presented at the November board meeting.

Legislative Update – Walch noted that highlights were included in the board report. Walch noted that GVP may consider maintaining a lobbying presence to help protect cooperative and rural value interests during the upcoming Colorado legislative session.

NRECA Region 7 Meeting & CREA Energy Innovations Summit – Walch provided a summary of the NRECA Region 7 Meeting held in September. Walch shared highlights and takeaways from the CREA Fall Meeting and Energy Innovations Summit.

Rate Restructuring – Walch led an in-depth discussion about proposed rate restructuring. He indicated that management staff needs clear direction from the board in order to continue development of revised rates. There was consensus of general support for the following points:

- Time-of-Use (TOU) rates are the preferred approach.
- The rate change should be effective in spring of 2022.
- A revenue increase in the range of four to five percent is necessary.
- A new General Service/Single Phase rate is preferable. This rate would combine existing FH-1, FH-2, and NRG rate classes; a multi-meter discount of \$5.00 per month could be applied to soften the impact of the restructuring for FH-2 accounts.
- Efforts to make TOU rates (1) easier to manage for consumers and (2) not punitive for low-income consumers are encouraged. These include simplification of on-peak and off-peak windows (uniform throughout the year) and less drastic differential between on-peak and off-peak rates.
- Consideration of a wildfire mitigation rider should be postponed.

Walch presented a proposed rate structure developed by staff and consultants, including examples of impacts for consumers with varying usage patterns. Once again, all board members were polled, and it was the consensus of the board that the proposal satisfies the board's concerns and requirements. Walch emphasized that challenges for staff remain, including finding fair and cost-effective methods to deal with metering communication obstacles and consumers opting out of enhanced metering. Other challenges for staff include completing bill design, billing programming, meter programming and member outreach and communications campaigns in time for an April 2022 effective date. Walch indicated that staff would continue rate development efforts, and would present proposed tariffs at the November board meeting.

Great Co-ops Employee Survey – Walch noted that the results and comments from the employee survey were included in the board packet. Burtard inquired if the survey results are shared with staff

and employees. Walch stated that the results will be shared with the employees following the board meeting.

Walch asked if the directors have interest in looking at a technology and design upgrade for the boardroom. Martinez and Sandeen-Hall expressed interest in working with staff on a possible project.

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

MOTION: Motion by Burtard second by Woods to approve the consent agenda items; carried.

III. Review of Policy Bulletin No. 80 – Financial and Equity Management Policy

Walch led a review of GVP's Financial and Equity Management policy. Walch highlighted the objectives which includes ensuring the financial integrity of the cooperative so that it can provide reliable electric service now and into the future. No changes were recommended.

IV. KRTA Review – Eric Anderson

Eric Anderson, Senior Vice-President of CFC, provided a summary and review of GVP's 2020 Key Ratio Trend Analysis (KRTA). Anderson praised Grand Valley Power for continuing to grow distribution equity, which topped 37% in August. Walch noted that this is the highest equity level achieved since the completion of the headquarters building in 2011.

V. Executive Session – Initial Review of Power Supply RFP Responses

John Krajewski joined the meeting via virtual platform.

MOTION: Motion by Mease second by McClaskey to convene an executive session to review responses to GVP's Power Supply RFP; carried.

Executive session convened at 12:27 p.m.

Regular session reconvened at 1:39 p.m.

VI. 2022 Director Travel Planning

Sandeen-Hall noted that directors were provided a schedule of training opportunities and conferences for 2022 and asked directors to review the opportunities and be prepared to discuss their schedules at the November board meeting.

VII. Attorney's Report

Kampf shared that he worked with Jeff Hurd this month on existing territory and franchise agreements. Kampf noted that CenturyLink has responded to GVP's pole attachment agreement and Williams is currently reviewing the agreement. Kampf shared that Hurd will be working to update GVP's bylaws to comply with the Cooperative Governance bill. Kampf stated that he and Hurd attended the statewide attorneys meeting.

VIII. CREA Report

Martinez noted that the CREA minutes were provided in the board packet. Martinez shared the CREA Colorado Advocates for Rural Electrification (CARE) auction raised \$23,000. Martinez provided an update on staffing positions at CREA. Martinez shared information from the proposed CREA budget which included some moderate increases that will be passed along to cooperative members for services rendered.

IX. WUE Report

Mease provided a review of the WUE monthly report. Mease shared that transformer lead times have

increased to 30-52 weeks. Mease noted that the increased lead times is also factoring into increased costs once materials are delivered.

X. Continuing Business

None.

XI. New Business

None.

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

Meeting adjourned at 2:19 p.m.

Derek Elder, Assistant Secretary

Carolyn Sandeen-Hall, President