

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

Regular Meeting

December 14, 2022

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, December 14, 2022 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
Kyle Coltrinari	present
Gary DeYoung	present
Don McClaskey	present
Jesse Mease	present
Bill Rooks	present
Carolyn Sandeen-Hall	present
Janie VanWinkle	present
Brian Woods	present

Others present: Tom Walch, CEO; Derek Elder, CAO; Matt Williams, COO; Rita Sanders, Director of Marketing & Communications; Pat Kanda, Finance Manager; Bill Barlow, Operations Manager; Karen Allen, Information Technology Manager; Sarah Wheeler, Controller/Benefits Administrator; Joe Foster, Safety and Compliance Coordinator; Jeff Hurd, Attorney. Joe Michalewicz, CFO, participated virtually.

DeYoung requested that the November minutes be amended to reflect that he abstained from voting on the Wildfire Mitigation plan rather than voting in opposition.

**MOTION:** Motion by Mease second by Coltrinari to approve the amended minutes of the November 16, 2022 regular meeting; unanimously carried.

Walch recommended amending the agenda to move the Review and Approval of Revised Tariffs agenda item ahead of the Finance and Audit Committee Report agenda item.

**MOTION:** Motion by Rooks second by McClaskey to approve the amended agenda as recommended by Walch; unanimously carried.

I. Guests and Public Comments

None.

II. CEO's Report

Staff Reports

Walch shared a recent article published in the RE Magazine regarding the work that Ethan Schaecher has done at Grand Valley Power. Walch also recognized Tonya Archuleta, Mark Tucker, and Dana Pogar for their presentation at the NISC Member Information Conference. Walch noted that their presentation received the best presentation award at the conference.

Operations - Barlow and Foster provided a summary of job site observation forms and job briefings. Foster highlighted the importance of these practices and the documentation the forms provide. He

noted that they reflect the buy-in from the crews in recognizing that safety is the number one priority. Foster shared that Grand Valley Power's safety culture has been driven by the frontline employees, which provides accountability. Mease inquired about the near-miss reports. Barlow provided an overview of the near-miss reporting process.

Barlow provided an update on the blinks in the Loma and Mack areas. Barlow shared that a piece of equipment at the substation was changed out and the number of blinks has diminished.

Information Technology – Allen provided a summary of the CREA CyberForce program. Allen noted that the program includes multiple phases and shared that GVP has completed the first phase and will be completing the second phase (a table-top exercise facilitated by a third party) in January. Allen stated that in preparation for this program, GVP staff members reviewed GVP's incident response program leading up to the holiday season.

Communications – Sanders stated that the timeline for the communication department's plan regarding a potential rate increase was included in the board material. Sanders asked if directors had any comments or questions. No comments or questions were raised.

Sanders provided a summary of SmartHub and asked directors if they would benefit from additional SmartHub training. Sanders noted that staff could provide a training session for SmartHub prior to a future board meeting.

Member Services – Elder shared that the appointment of the Election Supervisory Committee normally takes place at the January board meeting. Elder stated that Mike Wells, Wayne Keeler, and Jeff Hurd have all committed to continuing to serve on the committee.

Elder stated that GVP negotiated an agreement to sell some first-half 2022 wind renewable energy credits (RECs) for \$4.00 per REC. Elder noted that the value of Green-e certifiable RECs remains strong and GVP sells excess RECs to help offset fuel cost increases that typically peak during the summer months.

Engineering – Williams shared that Mike Gardner was promoted to Distribution Design Supervisor and Ethan Schaecher was promoted to GIS Administrator. Williams shared plans for the remodeling projects to provide office space for additional staff positions.

Williams stated that GVP has applied for two separate grants to reduce costs associated with wildfire mitigation. Walch noted that one of the grants that would be used for undergrounding the line through U.S. Forest Service land to Mesa Lakes would require matching funds from GVP. Williams asked for input regarding GVP's line extension policy regarding wildfire mitigation and risk assessment. The consensus of the board was to review GVP's line extension policy at a future board meeting.

Finance – Kanda provided a summary of the monthly financials. Kanda reported on the disconnects and write-offs.

Power Supply Update – Walch shared that Xcel Energy continues to adjust its cost projections. Walch stated that GVP did receive a response from Xcel regarding a meeting to discuss changes to GVP's power supply contract. Walch noted that GVP will seek contract features that are similar to those provided to other Xcel wholesale customers. Walch provided a review and summary of the contract features that GVP will seek.

Legislative Report – Walch noted that information regarding the resource adequacy bill was provided in the board packet. Walch stated that GVP continues to monitor the rules and processes that are being developed regarding the Inflationary Reduction Act. Walch shared that GVP's lobbying team is working with Hurd to draft a bill that increases the transparency to all Xcel customers, including wholesale customers, residential retail customers and large industrial customers.

Discuss 2023 Management Objectives – Walch noted that a draft of the 2023 Management Objectives was provided in the board packet. Walch stated that the order of the objectives is according to priority. Walch asked directors to consider strategic planning sessions in 2023 regarding topics such as distributed energy resource management, electric vehicles, and battery storage. Walch shared that a comprehensive review of time-of-use rates is on the list and will be reviewed in 2023 along with opportunities to apply for and secure grants. Mease shared that physical security of distributed assets should be listed as a priority due to recent events across the U.S. Coltrinari shared that staff development and investment should remain a priority on the management objectives. Walch shared that it remains a priority and the board identified it as a strategic priority several years ago. Walch stated that he will provide a final version of management objectives at the January board meeting for final approval.

**MOTION:** Motion by Rooks second by Mease to approve the CEO report; unanimously carried.

**MOTION:** Motion by McClaskey second by DeYoung to approve the consent agenda items; unanimously carried.

### III. Review and Approve Revised Tariffs

Walch shared that details of the revised rate tariffs were included in the board packet. Walch stated that the impact of the rate increase for the average General Service TOU customer is 6.7%. Walch noted that if approved, the notice will be posted in the *Grand Junction Daily Sentinel* in January and staff will continue to post information and send communications to members through the months of January and February. Walch stated that members would see the increases on the bills that they receive during the month of April. Sandeen-Hall asked if directors had any further questions.

**MOTION:** Motion by Woods second by Coltrinari to approve Resolution 22-07 – Authorization to Approve Revised Tariffs; DeYoung inquired if a tiered approach for cost recovery of the pass through was considered. Walch shared that rate classes that require additional energy are often in rate classes that recover those costs according to the impact they have on the system. Mease and VanWinkle agreed that consideration of different methods of cost recovery should continue to be evaluated as load characteristics continue to evolve; discussion ensued; unanimously carried.

### IV. Finance and Audit Committee Report

Mease shared that members of the Finance and Audit Committee met with staff to review the 2023 Work Plan and Budget. Mease shared that the committee recommends adoption of the 2023 Work Plan and Budget as presented by staff.

**MOTION:** Motion by Mease second by Rooks to approve adoption of the 2023 Work Plan and Budget as presented and recommended by the Finance and Audit Committee; unanimously carried.

### V. Policy Committee Report

Woods shared that committee members had communicated via email about revisions to GVP's consumer complaint policy, Policy Bulletin No. 92 – Consumer Complaint Procedures. Woods shared that the updated draft policy makes it easier for members to initiate and pursue informal and formal complaints with GVP. Woods stated that four of the five committee members recommend approval of the revisions to Policy Bulletin No. 92 as presented. It was noted that nothing in the policy would limit the right GVP members have under state law to address the Board directly in public meetings. Woods also shared that the committee has identified opportunities to improve the process for policy review going forward.

**MOTION:** Motion by Woods, second by Coltrinari, to approve revisions to Policy Bulletin No. 92 – Consumer Complaint Procedures, as presented. DeYoung shared his perspective about certain aspects of the policy and asked whether Woods and Coltrinari would accept a friendly amendment to the pending motion that would

adopt the policy but remove references to “pro se” parties. Woods and Coltrinari agreed to this friendly amendment. Following discussion, the motion carried unanimously.

Coltrinari inquired about other potential policy revisions that might come before the Board in the near future. Walch noted potential consideration of a policy requiring disclosure of contributions to GVP election campaigns. Walch asked if there was board consensus to direct staff and counsel to review other cooperative policies with respect to donation disclosures, consider best practices, and provide a draft proposal to the Policy Review Committee for consideration. DeYoung asked that any direction to staff on this topic be formalized through a motion.

**MOTION:** Motion by Rooks, second by VanWinkle, to direct staff direct staff and counsel to review other cooperative policies with respect to campaign donation disclosures, consider best practices, and provide a draft proposal to the Policy Review Committee for consideration; carried 8-1, with DeYoung opposed.

VI. Review 2023 Board Calendar

Sandeen-Hall led a discussion of a review for the 2023 board calendar. Changes and conflicts were discussed.

**MOTION:** Motion by DeYoung second by Coltrinari to approve the 2023 Board Calendar with the amendments identified; unanimously carried.

VII. Executive Session – Legal Update

**MOTION:** Motion by Burtard second by Mease to convene an executive session for the purpose of receiving a privileged legal update; unanimously carried.

Executive session convened at 12:15 p.m.

Regular session reconvened at 12:59 p.m.

**MOTION:** Motion by Mease second by DeYoung to authorize Tom Walch as CEO to file a complaint at FERC seeking to recover all amounts owed relating to the February 2021 Cost Adjustment and related matters, and to pursue a litigation strategy to maximize cost recovery for Grand Valley Power; unanimously carried.

VIII. Attorney’s Report

Hurd reported that key legal issues had been covered in executive session.

IX. CREA Report

Walch stated that discussions during the CREA board meeting focused on the value of CREA services to member cooperatives. Walch noted that the CREA manager’s group has agreed to compile concerns and issues regarding the CREA value proposition and share them with the CREA board.

Walch shared that the CREA board has already identified an opportunity to help cooperatives write grants or pursue grant opportunities.

Walch discussed correspondence from CREA regarding Energy Outreach Colorado and contribution disparities between cooperatives, municipalities, and investor-owned utilities.

X. WUE Report

Mease reported that Western United logged sales for the month of November totaling \$19.4M, a 21% increase from the prior year. Mease noted that through November the calendar year sales of \$241.9M have exceeded

the previous annual record set in 2021.

Mease shared that GVP will be receiving its share of WUE capital credits recently retired from fiscal year 2015.

XI. Continuing Business

None.

XII. New Business

Sandeen-Hall asked for Burtard's input on the NRECA Director Training session that he recently attended. Burtard noted that the session is a great opportunity to receive several training sessions in one setting instead of waiting several years to receive the training. Burtard noted that the instructors were very knowledgeable, and the networking opportunities provided additional insight.

**MOTION:** Motion by McClaskey second by DeYoung to adjourn; unanimously carried.

Meeting adjourned at 1:26 p.m.

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Derek Elder, Assistant Secretary

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Carolyn Sandeen-Hall, President