

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

Special Board Meeting

January 19, 2022

A special meeting of the Board of Directors of Grand Valley Rural Power Lines, Inc. was called by Board President Carolyn Sandeen-Hall, to take place at 11:00 a.m. on Wednesday, January 19, 2022 to consider proposed amendments to the Grand Valley Rural Power Lines, Inc. bylaws. The notice of meeting, agenda, and proposed bylaw amendments were posted Thursday, January 6, 2022 on the cooperative's website and in the cooperative's lobby. The special board meeting was held at the cooperative's headquarters at 845 22 Road, Grand Junction, Colorado, and was called to order at 11:00 a.m.

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; Jeff Hurd, Attorney.

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

I. Review of the Proposed Bylaw Amendments

Hurd led the review of the proposed bylaw amendments. Hurd shared that the changes reflect recent changes in state statute, Colorado House Bill 21-1131.

II. Guest and Public Comments

None.

III. Adoption of Bylaw Amendments as shown on the Attachment to the Notice of Special Board Meeting for January 19, 2022.

MOTION: Motion by Woods second by Mease to adopt the bylaw amendments as shown on the attachments to the Notice of Special Board Meeting for January 19, 2022; carried.

MOTION: Motion by McClaskey second by Burtard to adjourn the special board meeting; carried.

Meeting adjourned at 11:25 a.m.

Derek Elder, Assistant Secretary

Carolyn Sandeen-Hall, President

ARTICLE IV - MEETINGS OF MEMBERS

Section 1. Annual Meeting. The annual meeting of the members shall be held at such date in ~~the month of~~ August of each year, ~~beginning with the year 1976,~~ at such hour and place within Mesa County, Colorado, as may be determined by the Board of Directors for the purpose of electing directors, passing upon reports for the previous year and transacting such further business as may properly come before the meeting. It shall be the responsibility of the Board of Directors to set the agenda and make adequate plans and preparations for the annual meeting. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution on the Cooperative.

Section 2. Special Meetings. Special meetings of the members may be called by a resolution of the Board of Directors, or upon a written request signed by any three (3) directors, by the President or by ten percent (10%) or more of all members; and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. Special meetings of the members may be held at any place within the County of Mesa, State of Colorado, specified in the notice of the special meeting.

Section 3. Notice of Members Meeting. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) or more than ~~thirty-sixty (6030)~~ days before the date of the meeting, through publication in the Cooperative's monthly newsletter and/or by posting on the Cooperative website. either personally or by mail, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting, to each member of record entitled to vote at such meeting, except that if the authorized shares of the Cooperative are to be increased, at least thirty (30) days' notice shall be given. ~~If mailed, such~~ Such notice shall be deemed to be delivered when posted on the website or when the mailing is deposited in the United States mail addressed to the member at ~~his the~~ address as it appears ~~on the stock transfer books of the Corporation in~~ in the Cooperative's record of account information, with postage thereon prepaid.

Section 4. Quorum. A quorum for amending the Articles of Incorporation, electing directors and voting on other corporate business shall consist of the owners of one hundred (100) shares of the Cooperative present in person. If the owners of one hundred (100) shares are not present in person but mail voting for directors pursuant to Article V, Section 2 has occurred prior to such meeting, the election of directors shall occur so long as the number of valid mail votes plus shares voted in person totals at least one hundred (100) shares. If less than a quorum is present in person, a majority of those present may adjourn the meeting to another date and time or direct the Board of Directors to select another date and time.

Section 5. ~~Section 5.~~ Voting. At all ~~the shareholders~~ meetings for the election of Directors and for the transaction of all other business, each shareholder member, or joint member voting on behalf of the joint membership, shall be entitled to one vote for each question submitted to the shareholders members. All questions shall be decided by a vote of a majority of the members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation or these By-Laws. Voting by proxy or cumulative voting shall be prohibited.

Section 6. Order of Business. The order of business at the annual meeting of the members and, so far as possible, at all other meetings of the members, shall be essentially as follows: Report on the number of members present in person in order to determine the existence of a quorum.

1. Report on the number of members present in person in order to determine the existence of a quorum.

- ~~1.2. Reading of the notice of the meeting and proof of the due publication or mailing thereof, or the waiver or waivers of notice of the meeting as the case may be~~Approving the notice of the meeting.
- ~~3. Reading of~~Consideration and adoption of any unapproved minutes of previous meetings of the members and the taking of necessary action thereon.
- ~~2.4. Election of directors to the Board of Directors.~~
- ~~3.~~ Presentation and consideration of reports of officers, directors, and committees.
- ~~4. Election of directors.~~
- ~~5. Other business that may properly come before the members.~~
- ~~5. Unfinished business.~~
- ~~6. New business.~~
- ~~7.6. Adjournment.~~

ARTICLE V DIRECTORS

Section 1. General Powers. The business and affairs of the Cooperative shall be managed by a board of nine (9) directors which shall exercise all of the powers of the Cooperative except such as are by law, the Articles of Incorporation or portions of these By-Laws conferred upon or reserved to the members.

Section 2. Election of Directors. ~~The persons named as directors in the Articles of Incorporation shall compose the Board of Directors until the first annual meeting or until their successors shall have been elected and shall have qualified.~~ Each member of the Cooperative, or joint member on behalf of the joint membership, shall be entitled to vote in the election of directors on the Board of Directors either at a meeting held for such purpose or by mail, but not both. Mail voting shall be in writing on ballots provided by the Cooperative. The mail ballot shall be voted by the member or joint member, ~~placed in a special envelope provided for the purpose so as to conceal the marking on the ballot,~~ deposited in a return envelope which must be signed by the voting member or joint member, and mailed back to the address mailed back designated by to the Cooperative. ~~A mail ballot received in a signed return envelope but without a secrecy sleeve or inner envelope is nonetheless valid and shall be counted. Envelopes containing mail ballots shall remain sealed and uncounted until the meeting held for the purpose of electing the Board of Directors.~~ Directors shall be elected by a plurality vote of the members. Notwithstanding the foregoing, if the number of people nominated for directors is less than or equal to the number of vacancies, the Board of Directors may ~~determine to~~ eliminate the mail vote for that election and have the previously nominated and eligible directors candidates elected by the members present at the meeting of the members. Unless the Board of Directors determines otherwise, in ~~If there is~~ a contested election, the ballots shall remain sealed until shall be counted at the offices of the Cooperative onduring the next business day following the election meeting ~~unless the Board of Directors determines to count the ballots at the meeting.~~ All candidates may be present when the ballots are counted.

Section 3. Qualifications. To be eligible for election or appointment to, and to serve on, the Cooperative's Board of directors, a person shall:

- (a) Be an individual with the capacity to enter legally binding contracts;
- (b) Be a member or joint member of the Cooperative and have been a member or joint member of the Cooperative for at least twelve (12) consecutive months prior to the election;
- (c) Maintain his or her primary residence in the area or territory served by the Cooperative;
- (d) Be served by the Cooperative;
- (e) Not be engaged in any business, nor employed by or materially affiliated with any individual or entity:
 - 1) Regularly, directly, and substantially competing with the Cooperative or a Cooperative subsidiary;
 - 2) Regularly selling goods or services to the Cooperative or a Cooperative Subsidiary;
 - 3) Otherwise possessing a substantial conflict of interest with the Cooperative or a Cooperative subsidiary;
- (f) Not be an individual that has been an employee of the Cooperative within two (2) years prior to serving on the Cooperative's Board of Directors.

Any member which is not an individual and which has been a member for at least twelve (12) consecutive months prior to the election may designate in writing an individual partner,

shareholder, member, manager, officer, board member, or employee who will then be eligible to be appointed or elected or remain a director just as an individual member, provided the individual so designated satisfies the requirements of subsections (a), (c), (d), (e) and (f) above. If the designee becomes a director, the designee shall remain eligible to serve as a director as long as the member designating the director remains a member, provided the director is not otherwise disqualified. The designation of the individual by the member may not be changed as long as the designee is a director.

Section 4. Nominations. A nomination for director on the board of Directors of the Cooperative shall be made by written petition signed by at least fifteen (15) members of the Cooperative, and filed with the Board of Directors of the Cooperative no later than ~~forty-five-sixty~~ (6045) days prior to the date of the election. Any petition so filed shall designate the name of the nominee and the term for which nominated. The name of the nominee shall appear on the ballot if the nominee's qualifications and nominating petition ~~is~~ are in apparent conformity with this ~~section-article~~ as determined by the Cooperative's Election Supervisory Committee and confirmed by the Secretary of the Board of Directors. ~~Notwithstanding the foregoing, if the number of people nominated for directors is less than or equal to the number of vacancies, the Board of Directors may determine to eliminate the mail ballot for that election and have the directors elected by the members present at the meeting of the members.~~

Section 5. Removal of Directors by Members. Any director may be removed for cause at any time by the members pursuant to the procedure specified in this section. Two hundred (200) or more of the members may bring charges requesting the removal of a director by filing a petition with the Association's Secretary or Assistant Secretary in writing, specifying in detail the charges constituting the cause for removal. Such petition must be signed by at least two hundred (200) of the members. No petition for removal shall specify charges against more than one director. If the removal of more than one director is requested, a separate petition for each director sought to be removed must be filed.

The term "for cause" as used in this section is defined as malfeasance, misfeasance or nonfeasance adversely affecting the Association's interest. "Malfeasance" is the doing of an act which is wholly wrongful and/or unlawful. "Misfeasance" is the improper doing of an act which a person may lawfully do. "Non feasance" means the omission of an act which a person ought to do. "For cause" does not mean conduct or decisions made in good faith with a reasonable basis for believing that the action authorized was in the lawful and legitimate furtherance of the Association's business.

The Association's Secretary or Assistant Secretary shall, upon receipt of a written petition signed by at least two hundred (200) of the Association's members, transmit such petition to the entire Board of Directors for consideration at the board's next meeting at which a quorum is present. The directors present, providing they constitute a majority of the Board of Directors, who have no charges brought against them, by majority vote shall determine if there be cause. If the majority find that cause, as defined in this section, has been stated in such petition, the request for removal shall be presented at the next regular or special meeting of the members. Such a meeting shall be held within ninety (90) days of a finding of cause. In the event there is not a majority of the Board of Directors present against whom no charges have been brought, then such petition shall be referred by the Association's President to an attorney at law, duly licensed to practice in the State of Colorado for at least five (5) years, for a determination as to whether or not cause, as defined in this section, has been stated in such petition. If charges have been brought against the Association's President, then such referral shall be made by the Association's General Manager. Any attorney who has previously represented this Association shall not be eligible to be appointed as provided herein. In the event such attorney finds that cause, as defined in this section, has been stated in such petition, the requested removal shall

be presented in the manner hereinbefore stated. Written notice shall be given to all of the Association's members within thirty (30) days from the time such petition is presented, that cause, as defined in this section, has been stated or has not been stated against a director in such petition. In the event both the President and Vice President have had charges brought against them, then at any meeting of the members at which such charges are to be presented, the Board of Directors shall, by resolution, designate a parliamentarian to conduct that portion of the meeting at which charges are to be heard. The director against whom such charges have been brought shall be informed in writing of the charges at least thirty (30) days prior to the meeting of the members, and shall have an opportunity at the meeting of members to be heard in person and/or by counsel and to present evidence. The persons bringing the charges against such director shall have the same opportunity.

Within thirty (30) days after the meeting of members, mail ballots will be distributed to all members of record. A plurality vote of the members voting thereon by mail, as provided in Section 2 of this article, is required to effect such removal; except that the vote for removal by at least two hundred (200) of the members is required to effect such removal. Any vacancy in the Board of Directors created by such removal shall be filled in the manner specified in Sections 2 and 4 of this article at the next annual meeting of members for the remaining term of said director. However, in the event a majority of the Board of Directors has been removed from the Board of Directors, an election for directors will be held within ninety (90) days, pursuant to Sections 2 and 4 of this article. Until new directors can be elected, one-third of the Board of Directors shall constitute a quorum. If more than two-thirds of the Board of Directors has been removed, the Chief Executive Officer shall assume control of the business and affairs of the Cooperative, to the extent permitted by law, until the election can be held.

Section 6. Vacancies. A vacancy occurring in the Board of Directors, by reason of resignation, disability, or death, may be filled by the affirmative vote of a majority of the remaining directors for the unexpired portion of the term, or the vacancy may be filled at the next annual meeting for the election of directors. However, if there is no quorum at the annual meeting or when the number of people nominated is less than the number of vacancies, the vacancy shall be filled by the Board of Directors pursuant to the previous sentence.

Section 7. Compensation. A director is not an employee of the Cooperative. As determined or approved by the Board of Directors, however, the Cooperative may reasonably and fairly compensate directors for their service, including compensation for attending a: (1) Board Meeting; (2) function, meeting or event involving or relating to the Cooperative; or (3) function, meeting, or event involving, relating to, or reasonably enhancing the Director's ability to serve in the role of Director. The Cooperative may also pay or reimburse Directors for reasonable expenses incurred in attending any function, meeting or event described herein. The Board of Directors must determine or approve the manner, method, and amount of any Director compensation or expense payment.

Section 8. Term of Directors. The directors shall be classified with respect to time for which they shall severally hold office, by dividing them into three classes, each consisting of one-third of the whole number of the Board of Directors, and all directors of the Corporation shall hold office until their successors are elected and qualified. At each annual election, successors to the class of directors whose terms shall expire that year shall be elected to hold office for a term of three years, so that the term of office of one class of directors shall expire in each year.

Section 9. Indemnification of Officers and Directors. The Corporation shall, to the full extent permitted by law, indemnify each of its officers and directors, whether or not in office (and his executor, administrator and heirs), against all expenses actually and necessarily incurred by him, including, but not limited to judgments, costs and counsel fees, in connection with the

defense of any litigation, including any civil, criminal, or administrative action, suit or proceeding, to which he may have been made a party because he is or was a director or officer of the Corporation so long as such officer or director is deemed to have been operating within his scope of authority.

ARTICLE VI - MEETINGS OF DIRECTORS

Section 1. Regular Meetings. A regular meeting of the Board of Directors shall be held monthly at such time and place in Mesa County, Colorado as the Board of Directors may provide by resolution.

Section 2. Special Meetings. Special meetings of the Board of Directors may be called by the President, or by any three directors, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided. The President or the directors calling the meeting shall fix the time and place (which shall be in Mesa County, Colorado), for the holding of the meeting.

Section 3. Notice of Directors' Special Meetings. Written notice of the time, place and purpose of a special meeting of the Board of Directors shall be delivered to each director not less than ten (10) days previous thereto, either personally, by mail, or by electronic mail by or at the discretion of the Secretary, or upon default in duty by the Secretary, by the President or the directors calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the director at his address as it appears on records of the Cooperative with postage thereon prepaid.

Section 4. Quorum. Except as provided in Article V, Section 5, a majority of the Board of Directors shall constitute a quorum, provided that if less than such majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time; and provided further that the Secretary shall notify any absent directors of the time and place of such adjourned meeting. The majority of the votes cast by the directors present and voting at a meeting at which a quorum is present shall be the decision of the Board of Directors.

Section 5. Notice of Meeting - Agenda. Notice of regular and special meetings of the Board of Directors, together with a copy of the agenda for such meeting, shall be posted in every service office maintained by the Cooperative and on the Cooperative's website at least ten (10) days before the meeting. The agenda shall specifically designate the issues or questions to be discussed or the actions to be taken at the meeting. Copies of such agenda shall be available at each service office for members and consumers.

Section 6. Public Meeting.

1. All meetings of the Cooperative are declared to be open meetings and open to the members, consumers, and news media; but the Cooperative, by a two-thirds affirmative vote of the board members present, may go into executive session for consideration of documents or testimony given in confidence, but the Cooperative shall not make final policy decisions or adopt or approve any resolution, rule, regulation, or formal action, any contract, or any action calling for the payment of money at any session which is closed to the members, consumers, and news media.
2. Prior to the time the Board of Directors convenes in executive session, the Board of Directors shall announce the general topic of the executive session.
3. Any action taken contrary to the provisions of this section shall be null and void and without force or effect