

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

Regular Meeting

June 15, 2022

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, June 15, 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.

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

Others present: Tom Walch, CEO; Derek Elder, Corporate & Member Services Manager; Christmas Wharton, Communications Manager; Matt Williams, Engineering Manager; Ethan Schaecher, GIS Analyst; Karen Allen, IT Manager; Pat Kanda, Finance Manager; Joe Michalewicz, Controller; Bill Barlow, Operations Manager; Jeff Hurd, Attorney.

MOTION: Motion by McClaskey second by Martinez to approve the minutes of the May 18, 2022 regular meeting; carried.

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

I. Guests and Public Comments

None.

II. CEO's Report

Staff Reports

Walch introduced Grand Valley Power's GIS Analyst, Ethan Schaecher. Walch commended Schaecher's ability to improve GVP's GIS mapping system. He provided an overview of Schaecher's effects to improve tree trimming records and track outages by cause to help GVP target outage prevention efforts. Schaecher gave a GIS presentation regarding outage causes and outage minutes. His presentation focused on identifying trouble areas and developing prediction models to improve system maintenance focused on problem areas. Schaecher shared that GVP will use this information to find patterns and relationships to improve reliability and mitigate wildfire risk.

Information Technology – Allen reported that the information technology department continues to work behind the scenes to continually understand the capabilities and exposure of existing and emerging threats while striving to improve and strengthen GVP's cybersecurity network and process.

Operations – Barlow reported that GVP’s second mini-excavator is now in service and being used daily by the servicemen and construction crews. Barlow shared that Zeb Birch is in Oklahoma meeting with other cooperative linemen in preparation for their trip to Guatemala to help bring electricity to a village later this summer. Barlow stated that the construction crews worked with the communications department to select this year’s electric lineworker scholarship recipient.

Member Services – Elder provided an update on the director nominating petition process. He noted that the Election Supervisory Committee met on June 8, 2022 to review and certify the petitions. Elder shared that four nominating petitions were returned and certified. Elder stated that GVP received one request for a membership mailing list from a certified candidate. The list was provided on June 9, 2022.

Elder reported that Grand Valley Power’s 2021 Annual Renewable Energy Standard compliance report was filed with the Colorado Public Utilities Commission on June 6, 2022. Elder noted that GVP received the 2021 REC summary report from Xcel Energy on June 3, 2022 which created a delay in filing the report with the PUC. Elder shared that 41.2% of total retail sales in 2021 came from eligible renewable energy sources, after applicable multipliers were applied. Elder also shared that GVP achieved compliance with the distributed generation statutory requirements in 2021, stating that wholesale distributed generation accounted for 1.81% while retail distributed generation accounted for 3.55% of MWh sales net of industrial sales.

Communications –Wharton stated that Tyler Draper was selected as the 2022 Electric Lineworker’s Scholarship recipient. Wharton shared a calendar of events for the coming month, highlighting Operation Interdependence, Glade Park Movies Under the Stars, and GVP’s Annual Meeting.

Engineering – Williams reported that GVP will have a GIS intern working through the summer on GVP’s mapping system and auditing pole attachments. Williams shared that the Ute Water Hydro plant was back online on May 15. Williams noted that GVP continues to increase inventory levels in anticipation of supply chain issues.

Finance – Michalewicz provided a summary of the monthly financials and reported on monthly disconnects and write-offs. Michalewicz reported that GVP incurred an additional \$100,000 in fuel cost adjustment expenses from Xcel Energy over the last couple of months that was not passed along to members.

Michalewicz reported that \$1.15 million of CashBack Credits have cleared to date with \$28,000 in checks returned to GVP due to a lack of current address.

Michalewicz shared that he and Kanda met with GVP’s Xcel Energy Wholesale Account representative and asked for data regarding Xcel’s fuel cost adjustment calculations. Michalewicz reported that Xcel is slow in providing the data that GVP plans to use to help forecast increases in fuel cost adjustments.

Kanda reported that GVP has received a preliminary figure from Xcel Energy for the annual production true-up calculation. Kanda noted that Xcel Energy will continue to analyze and adjust its calculated true-up and GVP should expect a final true-up figure in August.

Power Supply Update – Walch reported that he met with Robert Kenney, Xcel Energy’s Colorado President. Walch shared that Tri-State cut operating costs through reorganization and a reduction of workforce. Walch reported that Governor Polis recently made headlines with a veto of a green energy bill. Walch stated the bill would have required the installation of electric vehicle chargers in new and renovated buildings.

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

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

III. Discuss Board Self-Evaluation

Sandeen-Hall shared feedback that was received from directors regarding the board self-evaluation process. Sandeen-Hall recommended that directors be prepared to discuss the board self-evaluation process in September or October.

IV. Executive Session

MOTION: Motion by Martinez second by Woods to convene an executive session for the purpose of receiving a power supply update, receiving a privileged legal update, and discussing personnel issues; unanimously carried.

Executive session convened at 11:25 a.m.

Regular session reconvened at 1:35 p.m.

MOTION: Motion by Burtard second by Martinez to authorize the CEO to adopt a revised organizational chart for the cooperative along with revisions to the management salary structure to accompany the organizational chart; unanimously carried.

V. Attorney's Report

Hurd shared that he continues to work with staff to develop a calendar to review board and company policies.

VI. CREA Report

Martinez shared that the CREA board notes were included in the board packet. Martinez asked directors to consider making an individual contribution to CEEI to help support the Guatemala Project.

Sandeen-Hall reported that she participated in a virtual CARE meeting. She shared that CARE made small donations for incumbent elected officials that have supported rural values and electric cooperatives.

VII. WUE Report

Sandeen-Hall shared that the Western United report was included in the board packet.

VIII. Continuing Business

Sandeen-Hall asked for director input on making a donation from unclaimed capital credits for the move of the Mesa Hotline school.

IX. New Business

Rooks asked for a discussion on potential solar generation within Grand Valley Power service territory.

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

Meeting adjourned at 1:57 p.m.

Derek Elder, Assistant Secretary

Carolyn Sandeen-Hall, President