

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

Regular Meeting

March 16, 2022

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, March 16, 2022 at 845 22 Road, Grand Junction, Colorado. President Sandeen-Hall called the meeting to order at 8:05 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; Jeff Hurd, Attorney.

**MOTION:** Motion by McClaskey second by Mease to approve the minutes of the February 16, 2022 regular meeting; carried.

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

I. Executive Session

**MOTION:** Motion by McClaskey second by Mease to convene an executive session for the CEO Performance Review; unanimously carried.

Executive session convened at 8:07 a.m.  
Regular session reconvened at 10:15 a.m.

**MOTION:** Motion by Woods second by Martinez to authorize the Board President to finalize the 2021 CEO evaluation; carried.

Others present: Derek Elder, Corporate & Member Services Manager; Christmas Wharton, Communications Manager; Matt Williams, Engineering Manager; Karen Allen, I.T. Manager; Pat Kanda, Finance Manager; Joe Michalewicz, Controller; Thomas Wright, Staff Engineer; Bill Barlow, Operations Manager.

II. Guests and Public Comments

Walch noted that Purchasing and Warehouse Manager Gary Billiet will be retiring on April 1 and thanked him for his service to Grand Valley Power. Walch introduced Dan Reid who has been promoted to fill Billiet's position. Sandeen-Hall shared that Carter Babbit and Elaine Johns from EnerVision will be joining the meeting remotely at 11:00 a.m. for introductions and an overview of their firm and the services they will be providing for GVP.

### III. CEO's Report

#### Staff Reports

Information Technology – Allen provided an update on GVP's Network and Systems Vulnerability Assessment and Penetration Test process. Allen shared that ARX Systems Inc. is performing the penetration test and will notify GVP of the results and share recommendations to improve any areas that may need additional security. Walch shared that GVP has been asked to participate in CREA's cybersecurity training in October.

Warehouse – Reid reported that a concrete apron will be completed on the west end of the truck bays in the next couple of weeks to help mitigate asphalt wear and tear. Reid also indicated that the evaporative coolers in the warehouse will be moved from the rooftop to ground level locations in the coming months. Billiet thanked the board for the opportunity to work at Grand Valley Power.

Communications – Wharton provided a presentation on GVP's programs and services strategic initiative. Wharton shared that GVP is focusing on technologies that provide value to the members, particularly in managing energy costs with Time-of-Use rates.

Operations – Barlow reported that GVP is facing supply chain issues that impact the management of its automotive fleet. Trucks ordered now have anticipated delivery dates in 2025. Barlow is looking forward to ensure that necessary orders for trucks and equipment are placed in a timely fashion. Barlow provided an update on system improvements in the Loma area. Barlow stated that he will be attending the CREA Operations & Engineering Conference held in Crested Butte April 4-6. He will be joined by GVP Foremen Matt Mason and Trevor Lettman.

Engineering – Williams stated that GVP continues to participate in discussions with the Town of Collbran regarding plans to bring fiber broadband connectivity into the Town. Williams reported that the pole attachment agreement with CenturyLink is nearing completion. Williams expressed appreciation for the opportunity to attend the NRECA Next Generation Leaders Conference.

Finance – Michalewicz provided a summary of the monthly financials and reported on monthly disconnects and write-offs. Michalewicz reported that \$1,286,000 in Cashback Credit checks were issued in December 2021, and almost \$1,150,000 of this amount has cleared. Michalewicz reported that the preliminary audit is complete with no adjustments and the auditor's report will be provided next month. He reported that GVP drew down \$3M on its PowerVision Loan to secure a favorable interest rate, as rates are expected to increase significantly over the year. The additional funds have been invested in short-term investments and will be used to finance operations throughout the year.

Member Services – Elder reported that staff worked with Jeff Hurd to provide clarity and include language in GVP's Net-Metering Tariff including language to account for separate kilowatt-hour banks for GVP's new time-of-use rate classifications. Elder provided an update on current staffing levels, noting that GVP has hired Cole Zunich to fill the open journeyman lineman position and is beginning interviews on Thursday for the open Warehouse/Facilities Technician position. Elder shared that director petition packets will be available beginning on April 25, 2022. Elder noted that changes in Colorado law now require director petitions to be returned no later than 60 days prior to the date of election. Accordingly, petition packets will be due by the close of business on June 3, 2022.

Elder provided a rate restructuring update. Elder shared that since the new rates are effective with the March revenue month, accounts billed for cycle 1 were moved to the new rates beginning on March 1 and accounts billed for cycle 2 will be moved to the new rates beginning on March 16. Elder noted that 28 members have expressed interest in the new electric vehicle (EV) rate and those members will transition to the EV rate in April.

Legislative Update – Walch shared that GVP continues to monitor SB22-090 – Severe Weather Notification to Utility Customers. Walch noted that Xcel has offered amendments that would significantly reduce its obligations for notification under the proposed bill. Walch stated that GVP continues to monitor a proposed bill that has not yet been introduced that would seek to impose resource adequacy reporting requirements on all load-serving entities in the state. Walch stated that GVP is currently opposed to both pieces of legislation as currently drafted.

Power Supply Update – Walch shared that because of numerous operational failures, the Colorado Public Utilities Commission has raised concerns about allowing Xcel’s Comanche 3 Generating Unit to remain in service through 2034 as proposed in Xcel’s Resource Plan. The Commission indicates that a move to close Comanche 3 in 2029 is likely.

Walch shared communications from Western United Electric Supply (WUE) regarding supply chain challenges. Walch stated that WUE has given notice that it cannot continue its traditional pricing approach due to manufacturers’ inability to guarantee pricing until a product is shipped. Walch shared that GVP is increasing its stores or inventory overhead percentage to help address this issue. Walch noted that WUE CEO Greg Mordini has been asked to provide a written report regarding supply chain impacts for its member cooperatives.

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

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

IV. EnerVision Introduction

Carter Babbit and Elaine Johns from EnerVision joined the meeting remotely.

**MOTION:** Motion by Martinez second by Mease to convene an executive session for a discussion on Power Supply Issues; unanimously carried.

Executive session convened at 11:01 a.m.

Regular session reconvened at 12:07 p.m.

V. Approve Revised Net Metering Tariff – Resolution 22-01

Walch read Resolution 22-01 Authorization to Approve Revised Net Metering Tariff.

**MOTION:** Motion by Woods second by McClaskey to approve Resolution 22-01 – Authorization to Approve Revised Net Metering Tariff; carried.

VI. Approve Upcoming Board Schedule

Rescheduling of April Board Meeting

Walch asked the directors to consider moving the April board meeting to April 19. Walch shared the change of date would allow him to attend the first board meeting of his tenure on the NISC Board of Directors scheduled for April 20.

Audit Report Presentation

Sandeen-Hall asked for a discussion to determine availability to meet with Kelso Lynch, P.C., P.A. to review the 2021 Audit Report. The Finance and Audit Committee set a meeting for 9:00 a.m. on

Tuesday, April 12 to meet virtually with Kevin Kelso for a presentation of the Audit Report.

Power Supply Workshop

Sandeen-Hall asked for director availability to meet with EnerVision. Sandeen-Hall asked directors to respond via email regarding availability to attend a workshop on April 26.

**MOTION:** Motion by McClaskey second by Woods to approve the upcoming board schedule to include rescheduling the April Board Meeting to Tuesday, April 19, 2022; carried.

VII. Attorney's Report

Hurd shared that the Xcel wholesale cooperatives continue to seek information relevant to their evaluation of the fuel cost adjustment imposed relating to the February 2021 winter storm event. Attorneys for the wholesale cooperatives and from Xcel conferred in early March and the wholesale cooperatives are preparing a written follow-up to that meeting. Hurd will provide a further update in the April board meeting.

VIII. CREA Report

Martinez shared that the CREA report was provided in the board material.

IX. WUE Report

Mease shared that Western United has doubled their inventory levels since 2019 to keep pace with demand and supply chain shortages.

X. Continuing Business

None.

XI. New Business

None.

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

Meeting adjourned at 2:09 p.m.

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Derek Elder, Assistant Secretary

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Carolyn Sandeen-Hall, President