

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

Regular Meeting

April 19, 2023

I. Call to Order, Pledge of Allegiance, Roll Call

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, April 19, 2023 at 845 22 Road, Grand Junction, Colorado. Vice President VanWinkle called the meeting to order at 9:00 a.m.; President Sandeen-Hall attended the meeting virtually. 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, Chief Administrative Officer; Joseph Michalewicz, Chief Financial Officer; Matt Williams, Chief Operating Officer; Rita Sanders, Director of Marketing & Communications; Bill Barlow, Operations Manager; Karen Allen, Information Technology Manager; Sarah Wheeler, Controller/Benefits Administrator; Lauren Phelps, General Accountant; Ethan Schaecher, Geographic Information Systems Administrator; Destry Smith, Energy Services Administrator; Jeff Hurd, Attorney

II. Approve Minute Record of March 15 Regular Board Meeting

MOTION: Motion by Burtard second by Woods to approve the minutes of the March 15, 2023 regular meeting; unanimously carried. Mease abstained because he was not present at the meeting.

III. Approve Minute Record of March 15 Special Board Meeting

MOTION: Motion by Burtard second by Woods to approve the minutes of the March 15, 2023 special meeting; unanimously carried. Mease abstained because he was not present at the meeting.

IV. Approve Agenda

Walch recommended reordering the agenda to move the executive session regarding Power Supply RFP Discussion to immediately follow agenda approval.

MOTION: Motion by Woods second by Mease to approve the reordered agenda, moving the executive session regarding Power Supply RFP Discussion to immediately after agenda approval; unanimously carried.

V. Executive Session – Power Supply RFP Update

MOTION: Motion by Mease second by Woods to convene an executive session for the purpose of discussing

privileged power supply RFP matters; unanimously carried.

Executive session convened at 9:08 a.m.

Executive session recessed at 10:16 a.m. and the directors agreed to break for 15 minutes.

VI. Guests and Public Comments

Regular session reconvened at 10:30 a.m. There were no guests present at the meeting for public comment.

Auditors Kevin Kelso and George Lynch of Kelso Lynch, P.C., P.A., provided a virtual presentation of the results of the independent 2022 Audit. Kelso reported that Grand Valley Power received a clean audit. No concerns relating to fraud were noted, and Kelso concluded that the cooperative provided good controls to safeguard its resources and complied with all applicable laws and regulations.

MOTION: Motion by Mease second by Coltrinari to accept the audit report as presented; unanimously carried.

Tom Walch shared that Kelso's three-year engagement with Grand Valley Power is expiring. The audit firm has submitted a new three-year proposal that will be reviewed by the Finance and Audit Committee and presented to the board at the May board meeting. Walch noted that the proposal includes engaging the Kelso firm to prepare GVP's IRS Form 990 beginning next year.

VII. Staff Reports

Finance – Michalewicz provided a summary of the monthly financials, highlighting various key financial metrics for the cooperative, and reported on the disconnects and write-offs. He also reported that since the rate change took effect March 1, the cooperative has received three comments expressing dissatisfaction with the kilowatt hour cost increase.

Walch noted that with the board's acceptance of the audit and verification of margins for 2022, allocation of margins will be on the agenda at the May board meeting. Finance staff will process the mailing of allocation notices to take place shortly thereafter.

Operations – Barlow thanked the board for the opportunity to attend state operations conferences. He shared that a recent storm (18" of snow) caused several outages for high country consumers. Crews initially had difficulty finding the cause. Eventually they located a stranded phase and made the necessary repairs. About 80 members were without service from 10 a.m. to 3 a.m. the next morning. The lineworkers received many compliments on Facebook for their hard work and dedication.

Walch noted that Grand Valley Power celebrated Lineworker Appreciation Day on April 18 and thanked the line crewmembers.

Engineering – Ethan Schaecher shared that he has enhanced several of Grand Valley Power's GIS mapping processes to more quickly get the technology into the hands of the line crews in the field. Schaecher also shared that the cooperative has purchased a drone that it will use for more efficient substation and line inspections. We will also use it to create a virtual tour of GVP's distribution system for directors, staff and members.

Information Technology – Archuleta reported that the rate increase went into effect on bills, with no errors or issues visible to consumers. She continues to work with NISC to code demand rates in the system.

Communications – Sanders provided information that Director Petitions will be available at GVP headquarters beginning April 24, and they are due June 2. The seats currently held by Joe Burtard, Don McClaskey and Janie VanWinkle are slated for this year’s election. She also shared that GVP is working with the CSU Extension Service to bring the Energy Lab to the Western Colorado Children’s Water Festival on May 15 and 16; and that the GVP summer picnic will be held June 10 in Collbran and invited directors to RSVP. Additionally, Sanders shared the dates of this year’s high school Scholarship Award Ceremonies and encouraged directors who could attend to present GVP’s scholarships to the recipients.

Member Services – Elder shared that shared that Walter Fees has accepted the Engineering Supervisor position and will start May 1. He also noted that the cooperative’s top candidate for the open Customer Service Representative position has accepted and will start May 10 pending pre-employment checks. With these two positions, GVP will be fully staffed again with 45 employees.

Janie VanWinkle shared that Derek Elder received the Johnson-Theos Bridgebuilder Award from Club 20 for his work to revitalize and be a collaborative force on the Energy Committee. Derek shared that Club 20 also recognized Janie with the John D. Vanderhoof Award for Outstanding Service and Dedication to Western Colorado.

VIII. CEO Report

Staffing Updates – Walch noted that the cooperative has had challenges filling key staff positions. He said that Grand Valley Power has different insurance programs for its union and staff employees because union employees are eligible for a union-sponsored benefit package at a cost savings to the co-op. This situation creates a challenge when promoting employees to management staff because the out-of-pocket expense for insurance coverage is more for staff-level positions than the union-sponsored package, particularly for employees with full-family coverage. Walch expressed that in order to become more competitive in its hiring, staff will explore alternatives to the group insurance offered by Grand Valley Power to staff-level employees. If workable solutions are available, they will be presented to the board by the end of the year.

Legislative Report – Walch discussed HB23-1282 – a bill that would list cooperatives as parties that could be liable under the Colorado Consumer Protection Act. While cooperatives are already covered under the existing statute, it is feared that singling them out could lead to frivolous suits and claims, as the statute authorizes recovery of attorney’s fees and treble damages. Walch indicated he will likely testify against the bill in committee later in the week.

Hurd provided an update on state Senate Bill 23-291, which was introduced earlier in the week, and reviewed some of the relevant provisions.

Engineering – Matt Williams reported that Grand Valley Power has received an inquiry from NISC about the cooperative’s interest in participating in a grant project that would allow GVP to acquire battery storage that would help with resiliency. As part of the grant, GVP would share information about the effectiveness of the energy solution at providing resiliency for infrastructure, and this information would be included in a study. The cost of the battery storage would be considerably less than what it would be without the funding, and the cooperative could use the batteries how it chooses in its distribution system. Grand Valley Power expressed that it is interested in participating in the project.

Williams also shared that staff is examining amending industrial rates for large loads that could impact Grand Valley Power’s power supply costs. No current member-consumers would be affected unless their loads grow significantly. The goal is to be prepared for the potential of future, large loads on Grand Valley Power’s distribution system.

Walch noted that if Grand Valley Power were to get a load that would impact overall rates because of its large size, the cooperative would negotiate a separate rate for them so that the new load must bear any additional

risk and cost.

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

IX. Consent Agenda

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

X. Executive Session – Power Supply RFP, Personnel Matters, Legal Update

MOTION: Motion by Mease second by Burtard to reconvene executive session for the purpose of discussing privileged power supply RFP matters, personnel matters, and for an attorney-client privileged legal update; unanimously carried.

Executive session reconvened at 12:55 p.m.

Regular session reconvened at 3:03 p.m.

XI. CEO Employment Agreement

MOTION: Motion by Sandeen-Hall second by Mease to approve a CEO employment agreement as presented and reviewed in executive session; carried with one abstention.

XII. Wholesale Power Supply Resolutions

MOTION: Motion by Rooks second by McClaskey to adopt Grand Valley Power Board Resolution No. 23-02 Regarding Power Supply Matters; carried unanimously.

MOTION: Motion by DeYoung second by Mease to adopt Grand Valley Power Board Resolution No. 23-03 Regarding Power Supply Matters, along with an associated load forecast; carried unanimously.

XIII. Attorney's Report

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

XIV. Colorado Rural Electric Association Report

Woods updated the board on matters relating to CREA, noting the rapid pace of state legislative issues that the organization is addressing.

XV. Western United Electric Supply Report

Mease reported that Western United continues to report strong sales and to meet various financial benchmarks.

XVI. Continuing Business

None.

XVII. New Business

None.

XVIII. Adjourn

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

Meeting adjourned at 3:09 p.m.

Rita Sanders, Assistant Secretary

Janie VanWinkle, Vice President