

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

Regular Meeting

December 20, 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, December 20, 2023 at 845 22 Road, Grand Junction, Colorado. President Janie VanWinkle 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
Joe Landini	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; Destry Smith, Energy Services Administrator; Jeff Hurd, Attorney.

President VanWinkle presented the Director Gold Credential certificate to Director Sandeen-Hall and the Board Leadership Certificate to Director Brian Woods. The NRECA credentials are designed to help electric cooperative directors, at every stage of their service, understand their roles and responsibilities, stay up-to-date on the key issues and trends in the industry, and prepare them to meet the challenges facing electric cooperatives now and in the future.

MOTION: Motion by Mease second by Landini to approve the minutes of the November 15, 2023 regular meeting; unanimously carried.

MOTION: Motion by Sandeen-Hall second by Coltrinari to approve the agenda; unanimously carried.

Walch noted that later in the meeting directors would need to appoint a delegate and alternate delegate for the CREA and NRECA Colorado annual meetings, during which they will vote on a replacement for the retiring NRECA Colorado Board Delegate.

II. Guests and Public Comments

None.

III. Staff Reports

Energy Services – In addition to key points presented in the staff report, Smith reported that Grand Valley Power has had 300 distributed generation interconnections so far in 2023, and 6% of members have solar. Smith said he is receiving inquiries about solar from commercial accounts.

Elder noted that the Fruita Chamber of Commerce thanked Grand Valley Power for its continued sponsorship of the Parade of Lights. Elder also shared that member Gary Bates asked Elder to pass along his appreciation for the cooperative hosting and putting on a great annual meeting. Elder said employees expressed their appreciation for the employee Christmas party.

Elder reported that Grand Valley Power was invited to participate in a Mesa County commissioner listening session and present information on distributed generation and utility-scale solar. Smith, Michalewicz, and Elder presented and answered questions on distributed generation and the process to connect to GVP's system, the scalability of projects, and the importance of communicating with utilities at the very beginning of discussions about a project.

Communications – Sanders noted that the deadline for Youth Program applications is January 8, and the Member and Community Relations committee will meet at 8 a.m. before the January board meeting to choose the recipients. She said the SmartHub transition went smoothly but NISC is still working on the functionality that allows members to see a breakdown of their Time of Use data, which NISC had indicated prior to the implementation would be available in the new version.

Operations – Barlow expressed his appreciation to the board for the employee Christmas party. He reported that Grand Valley Power is working on five subdivisions in its service territory.

Barlow noted that going forward, DMEA will provide dispatch services every other Friday on the Grand Valley Power dispatcher's flex days. He said the Information Technology Department, which has provided backup for dispatch in the past, is no longer available to assist with this function, as its duties have expanded, and it will be required to provide training and assistance for the member support team, which is experiencing staffing transition.

Information Technology – Allen said that cyber malware is rampant as evidenced by the number of reports in the industry and media. She offered directors tips on what to do should they encounter suspicious activity on their GVP-issued devices and asked them to please call IT if they need technical assistance.

Engineering – Williams reported that residential subdivision development decreased in the fall compared to the same period in previous years, but in the last week Grand Valley Power received work requests for two subdivisions and many residential properties.

Williams also shared that he and Directors Sandeen-Hall and DeYoung attended a public meeting hosted by the Western Colorado Alliance for Community Action on the Nannie Blain Solar Project, which is proposed to be in Grand Valley Power's service territory north of I-70 and 31 Road. Additionally, Williams, Elder, and Smith met with the developer the following day to discuss interconnection to GVP's sub-transmission system. Directors discussed the project.

Williams updated the board on the status of Grand Valley Power's Network Integration Transmission Service Agreement that the cooperative is seeking with PSCo. The agreement would become effective when Guzman becomes GVP's wholesale power supplier beginning in 2028.

Williams also reported that a staff analysis of the costs associated with Grand Valley Power's interconnection process indicates that a \$50 increase in the application fee, to \$350, is warranted. Discussion ensued about Grand Valley Power's distributed generation policy, including rates and amendments to address oversized systems. Management staff was directed to provide recommendations for amendments to the cooperative's net metering interconnection tariff at the January board meeting.

Finance – Michalewicz provided a summary of the monthly financials and reported on the disconnects and write-offs. Michalewicz shared that \$127,000 in CashBack Credit checks have been cashed since they were mailed earlier in the month. Directors discussed production true ups from GVP's wholesale power supplier, Xcel Energy.

Michalewicz also shared that he attended the Grand Junction Area Chamber of Commerce Annual Economic Outlook with Williams, Elder, Allen, and Smith. Michalewicz said professors from Colorado Mesa University presented on local economic indicators, including that the average annual wages in Mesa County increased 10.2% year over year from 2022 to 2023.

IV. CEO Report

Staffing Update – Walch said that Grand Valley Power does not take a holiday on Presidents’ Day in February, and he is exploring the idea of closing the office to the public to provide an opportunity for employees to participate in professional development and team building exercises.

Review 2024 Management Objectives and Development Opportunities – Walch led a discussion on the 2024 management objectives and development opportunities. He said it’s important to engage with members and align our goals and processes with their values and needs. Walch expressed pride in GVP’s 2023 accomplishments, which included reaching an agreement to transition in 2028 to Guzman, a new wholesale power supplier, while simultaneously managing other issues and proactively working to promote positive culture across the cooperative.

MOTION: Motion by Woods second by Sandeen-Hall to accept the CEO report; unanimously carried.

V. Consent Agenda

MOTION: Motion by Sandeen-Hall second by Rooks to approve the consent agenda items; unanimously carried.

VI. Finance and Audit Committee: Approve 2024 Work Plan and Budget

Woods said that the Finance and Audit Committee met and reviewed the 2024 Work Plan and Budget and recommends that it be approved as presented.

MOTION: Motion by Woods second by Rooks to approve the 2024 Work Plan and Budget; unanimously carried.

VII. Policy Committee: Consider Revisions to Policy Bulletin No. 50 – Voting and Elections (Including Attachment A)

Woods said that the Policy Committee spent a fair amount of time reviewing and discussing the proposed revisions to Policy Bulletin No. 50 – Voting and Elections and voted 3-1 to recommend approval of the revisions. DeYoung, the dissenter, provided his comments electronically to directors. No additional comments were received.

Walch said the revisions focus on addressing three issues. First, the timeline for the requirement that candidates report campaign contributions and expenditures was such that it did not allow for the information to be provided in a timely manner that would be beneficial for voters. Second, the revisions seek to improve the transparency of which organizations are supporting candidates and might be trying to influence the outcome of cooperative elections. Candidates would be required to report campaign donations and any advocacy groups that directors are in contact with about their candidacy beginning Jan. 1 of the election year, if those advocacy groups endorse or support their candidacy. Finally, the revisions seek to improve the accuracy of the information on ballot materials by limiting candidate bios to biographical information and an email address, enabling members to contact candidates about their election platform.

Discussion ensued about how the committee chose the Jan. 1 effective date.

MOTION: Motion by Rooks second by Landini to approve the revisions to Policy Bulletin No. 50 – Voting and Elections (Including Attachment A) as recommended by the committee; carried 8-1 with DeYoung dissenting.

VIII. Member and Community Relations Committee: Consider Changes to Scholarship Program

Sandeen-Hall provided information on the committee's recommendation to reduce the amount of an awarded scholarship by 20% if a student does not attend Grand Valley Power's Annual Meeting where recipients are recognized. Students can apply for a waiver of the reduction if they have a conflict that is out of their control. The goal of the change to the scholarship requirements is to stress the importance of recipients attending the annual meeting as the scholarship presentations are important to and appreciated by members. Discussion ensued. Directors agreed with the change.

IX. 2024 Board Calendar

Walch presented the 2024 Board Calendar with changes to the meeting dates of the June (26), July (25-Thursday), and November (21-Thursday) meetings due to conflicts with training and travel schedules.

Walch provided information that the Executive Committee has a standing meeting day and time on Thursdays the week before the board meeting at 11:30 a.m., but the meetings are held only when they are needed. He said any director is welcome to attend an executive committee meeting, and board members will be notified as soon as Executive Committee meetings are planned.

X. Executive Session

The board determined they had nothing to discuss in executive session.

XI. Attorney's Report

Hurd stated that everything he had to report has been covered already in the meeting.

XII. Colorado Rural Electric Association Report

Woods reported that Walch was elected president of the CREA managers' group.

Walch shared information on the restructuring of CREA's Job Training and Safety Program.

Retirement of Colorado NRECA Board Delegate – Walch provided information that Joe Martin, Colorado's representative on the NRECA Board of Directors, has submitted his resignation effective March 2024. Representatives from Colorado's NRECA Delegate Committee will meet at 3:30 p.m. on January 31, 2024, at CREA headquarters for a board meeting and to elect his successor. Walch said the cooperative landscape has changed over the past few years such that it's important that the person with the best understanding of cooperative business and issues be elected.

MOTION: Motion by Woods second by Mease to designate Sandeen-Hall as Grand Valley Power's voting delegate and Walch as its alternate voting delegate at the Colorado NRECA Director Election Meeting and Annual Meeting; unanimously carried.

MOTION: Motion by Mease second by Coltrinari to designate Sandeen-Hall as Grand Valley Power's voting delegate and Walch as its alternate voting delegate at the WUE Annual Meeting; unanimously carried.

XIII. Western United Electric Supply Report

Mease reported that sales have ticked up almost 2% over last year after three months of decreases. Inventory levels are up 12-13% from last year. WUE is still struggling with supply chains, mostly for transformers. It was reported that Grand Valley Power received a \$21,000 patronage capital check from WUE, about ¼ of what it is normally.

XIV. Continuing Business

None.

XV. New Business

VanWinkle said she attended the CREA business meeting and will provide a report to the board.

XVI. Adjourn

MOTION: Motion by Landini second by Rooks to adjourn; unanimously carried.

Meeting adjourned at 12:14 p.m.

Rita Sanders, Assistant Secretary

Janie VanWinkle, President