

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

Regular Meeting

May 17, 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, May 17, 2023 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.

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; Destry Smith, Energy Services Administrator; Jeff Hurd, Attorney.

II. Approve Agenda

MOTION: Motion by Mease second by Coltrinari to approve the agenda; unanimously carried.

III. Guests and Public Comment

Robert Kenney, President of Xcel Energy – Colorado, accompanied by counsel David Pettit and Area Manager Brad McCloud, presented Xcel Energy’s power supply proposal to the board.

IV. Executive Session – Power Supply RFP

MOTION: Motion by Mease second by DeYoung to convene an executive session for the purpose of discussing privileged power supply RFP matters; unanimously carried.

Executive session convened at 10:00 a.m.

Regular session reconvened at 11:07 a.m.

MOTION: Motion by DeYoung second by Mease, after careful consideration of the Xcel Energy proposal, to affirm the power supply course that the directors unanimously approved during the April board meeting;unanimously carried.

V. Approve Minute Record of April 19 Regular Board Meeting

MOTION: Motion by Mease second by Woods to approve the minutes of the April 19, 2023 regular meeting; unanimously carried.

VI. Staff Reports

Member Services – Derek Elder presented the Distributed Generation Annual Reconciliation Summary, noting that Grand Valley Power will buy down net-metering members' excess banked kilowatt hours in accordance with its tariff at the avoided cost rate. Last year GVP sent checks to 55 members and will send checks to 106 members this year. Of the 106 members, 11 had banked more than the 400 kWh required to receive a buy down for kWh generated during the on-peak time period. The buy down checks totaled \$22,000. Elder also reported that Grand Valley Power filed its Renewable Energy Standard report as required. GVP is 1 of 3 Colorado cooperatives that are held to a 10% statutory requirement (19% of its energy must come from renewable energy resources). In 2022, Grand Valley power received 48.2% of its energy supply from eligible renewable resources, which is nearly a 7% increase over 2021. GVP also retired 13,000 Renewable Energy Certificates (RECs).

Destry Smith reported that as of the end of April Grand Valley Power has had 124 new net-metering interconnections this year including 26 in April and 14 so far in May. As of the end of April, Grand Valley Power has received \$109,000 in application fees for 2023. These funds are helping to cover the costs of processing applications and inspecting the new systems. Smith also shared that he is working on creating a preferred solar installer program to help members identify reputable installers in the Grand Valley and help them make the best decision for their power needs. The program should begin in the fall.

Elder shared that Smith completed a six-week course on solar energy through Solar Energy International.

Communications – Rita Sanders reported that the employee summer picnic is coming up on June 10, and directors are invited to attend the event at Camp 7 Cabins in Collbran. She also shared that she and Communications Specialist Dana Pogar attended NRECA's Connect conference for communicators in Florida and participated in a panel presentation on rate changes. Sanders also noted that Grand Valley Power participated in Ute Water's annual Western Colorado Children's Water Festival and thanked Board President Carolyn Sandeen Hall for helping with the event. GVP was well represented and utilized the Colorado State University Extension 4-H Energy Lab at the event.

Information Technology – Karen Allen shared that Jimmy Weber has expressed interest in pursuing a bachelors degree in cybersecurity and technology at Western Governor's University, taking advantage of GVP's tuition reimbursement program. Allen reported that she attended an IT manager's statewide CREA conference focusing on cybersecurity and funding that is available to help with such initiatives. She noted that several cooperatives including Holy Cross, DMEA, White River, and GVP agreed to collaborate and assist each other in case of a cyber attack. Allen reported that Grand Valley Power is one of 11 Colorado co-ops that are certified through the Rural Electric Cyber Assessment Program, and there is discussion about integrating the process with the Rural Electric Safety Achievement Program certification.

Operations – Bill Barlow reported that GVP utility contractor, Ward, is finishing up the project on O Road between 10 ½ and 12 roads. Next, they will begin working on an overhead tie line on 12 Road between O and M ¼ roads. Grand Valley Power crews have completed a pole installation at 10 and Q roads where a car hit a new pole. Barlow also noted that the Mesa Hotline School took place the last two weeks. Several of our linemen attended the school and others served as teachers.

Engineering – Matt Williams presented on new and revised rates for Commercial, Large Load and Industrial Consumers. Williams noted that the new Load Dependent Rate (IND-LR) is needed as loads larger than 3 MW could have a significant impact on GVP's power supply requirements. Under this

new tariff, GVP would negotiate an appropriate rate with eligible consumers as they establish service based on the impact they will have on power supply requirements. Currently no services on GVP's lines fall within the IND-LR requirements.

VII. Consider Resolution Amending current Commercial and Small Power (CSP-D) tariff, Large Power (LP-D) tariff, Industrial Service (IND) tariff, and Industrial Coincident Peak Demand (IND-CP) tariff

MOTION: Motion by Mease second by Woods to adopt Resolution R-23-04 authorizing amendment of the Consumer and Small Power (CSP-D), Large Power (LP-D), Industrial Service (IND), and Industrial Coincident Peak Demand (IND-CP) tariffs as recommended; unanimously carried.

VIII. Consider Resolution Establishing Industrial Service – Load Dependent Tariff (IND-LDR)

MOTION: Motion by McClaskey second by Mease to adopt Resolution R-23-05 authorizing the establishment of the Industrial Service – Load Dependent Tariff (IND-LDR) as recommended; unanimously carried.

Staff Reports continued

Engineering – Williams reported that GVP received the executed Distribution Wheeling Agreement from PSCo for the Ute Water Hydro generation. Under the agreement, GVP will pay \$4.23 per kW to wheel the Ute Water hydro output over PSCo's distribution system. GVP will continue to pay Ute Water \$0.0325/kWh for the generated energy. Williams also shared that Walter Fees began in his new role this month as GVP's Engineering Supervisor. Fees comes to GVP from Black Hills Energy where he worked as a design engineer.

Finance – Joe Michalewicz provided a summary of the monthly financials, reported on the disconnects and write-offs, and reviewed the cooperative's 2022 Form 990. Michaelewicz shared that Kirstin Maska joined Grand Valley Power last week as a new member support team member. She comes from the Grand Junction Chamber with experience in customer service, events and grants. Michalewicz also reported that, subject to board approval, the co-op is prepared to issue 2022 allocation notices to members.

IX. Authorize Allocation of Patronage Capital

MOTION: Motion by Woods second by Coltrinari to authorize allocation of \$2,142,105 of member capital to GVP members for 2022; unanimously carried.

X. CEO Report

Legislative Report – Walch reported that the cooperative made its presence known on bills throughout the session. He also noted that Rural Utilities Service has announced a New Era funding program for rural America. The \$9.7 billion in funding is committed to bring clean energy to rural electric cooperatives and made possible by two USDA programs under the Inflation Reduction Act.

Walch also reported that director petitions are available at the service lobby and are due to be returned no later than June 2.

Employee Survey Review – Walch shared that he is implementing a plan to help address workplace and safety culture issues raised in the employee survey conducted in January and subsequent listening sessions with employee groups and individuals. The plan includes training for key employees in Operations, as well as improvements to department communications and a more focused approach to the purchase and replacement of equipment and tools.

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

XI. Consent Agenda

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

XII. Approve Engagement of Audit Firm

MOTION: Motion by Mease second by DeYoung to approve the terms of the engagement proposal submitted by auditors Kelso Lynch, P.C., P.A. ; unanimously carried.

XIII. Attorney's Report

Jeff Hurd reiterated that the cooperative played a key role in the recently concluded Colorado legislative session, and as such it should be noted that Tom was called upon to testify in a tough legislative environment for utilities. The session wrapped up last week. Hurd also noted that this will be his second year overseeing the director election, and while last year's went well, he is preparing to make sure new bylaws are implemented and that this election goes smooth.

Hurd reported that CREA now has in-house counsel and it is a positive development, providing a resource for cooperative attorneys. Additionally, it should be noted that there is a great deal of activity occurring with FERC in regard to Tri-State Generation & Transmission. Hurd said that one of his colleagues in the Ireland Stapleton firm will be working with GVP in the near future as he anticipates being pulled away by other business.

XIV. Colorado Rural Electric Association Report

Walch shared that the last CREA meeting focused largely on legislative matters as the session drew to a close.

XV. Western United Electric Supply Report

Mease reported that Western United has had difficulty getting core steel for transformers due to high demand for the same product for electric vehicles. Meanwhile, the Department of Energy (DOE) has proposed that all transformers be built from amorphous steel, which has the potential to slow the availability of transformers even more than it is now because the metal is difficult to cut and shape. Cooperative leaders at the national level are working with Congress to oppose or restrict the DOE's proposed rule.

XVI. Continuing Business

None.

XVII. New Business

None. Kyle Coltrinari said he appreciated the way the agenda was set today with the executive session at the beginning.

XVIII. Adjourn

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

Meeting adjourned at 1:50 p.m.

Rita Sanders, Assistant Secretary

Carolyn Sandeen-Hall, President