

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

Regular Meeting

November 15, 2023

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, November 15, 2023 at 845 22 Road, Grand Junction, Colorado. President VanWinkle called the meeting to order at 9:05 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, CAO; Matt Williams, COO; Joe Michalewicz, CFO; Bill Barlow, Operations Manager; Karen Allen, Information Technology Manager; Sarah Wheeler, Controller/Benefits Administrator; Lauren Phelps, General Accountant; Dan Reid, Warehouse and Purchasing Manager; Sarah Abbott, Attorney; Jeff Hurd, Attorney.

MOTION: Motion by Woods second by Coltrinari to approve the minutes of the October 18, 2023 regular meeting; unanimously carried.

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

I. Guests and Public Comments

None.

II. CEO's Report

Staff Reports

Walch reported that staff members Rita Sanders and Destry Smith are attending the final session of the three-part Principles of Leadership course offered through CREA in Ft. Collins. Walch introduced Tanya Marchun, GVP's new communications specialist, who started in her role on November 6. Walch shared that she came to GVP from the City of Grand Junction where she worked in communications for Parks and Recreation.

Walch indicated that 14 employees participated in a three-day Proactive Performance Coaching session conducted by LDR Leadership at GVP October 31 – November 2. The session focused on coaching to win, understanding punitive discipline, critical elements of communication, effective and influential leadership, employee development and coaching, and decision making. Walch stated that the session proved effective and valuable in the fact that several employees were implementing lessons learned and putting steps into action before the three-day session ended.

Walch highlighted a grounding class that was hosted at GVP in October for the operations department.

Walch shared comments from some of GVP's participants in the class and their appreciation for the company's commitment to training and education.

Engineering – Williams reported that one of GVP's grant applications has received preliminary approval to move forward in the grant application process. Williams noted this grant application is to convert some overhead line on the Grand Mesa to underground to assist with GVP's wildfire mitigation efforts. Williams anticipates that GVP should receive more information on the grant after the first of the year.

Information Technology – Allen shared that the Information Technology (IT) department successfully updated GVP's switches on November 11 and complimented IT staff members Tonya Archuleta and Jimmy Weber for their commitment to the project. Allen also shared appreciation for directors' commitment to work with the IT department as the organization implements new multi-factor authentication software.

Operations – Barlow provided an update on recent outages. Barlow shared the status and anticipated completion timeline for the line upgrade project on Orchard Mesa.

Member Services & Communications – Elder reported that the application period is open for the Washington DC Youth Tour and Youth Leadership Camp in Steamboat Springs through January 8. Elder reminded directors that GVP is the title sponsor of the Fruita Parade of Lights which will take place on December 9 at 5:30 p.m. in downtown Fruita. He indicated that GVP apprentice lineman Cole Crider will also participate in Collbran's Parade of Lights on December 9 at 5:30 p.m. in downtown Collbran.

Finance – Michalewicz provided a summary of the monthly financials. Michalewicz reported on the disconnects and write-offs.

Departmental Budget Presentations – Walch indicated that GVP's focus going into the 2024 budget season is to hold the line on expenses and make cuts where possible in an effort to maintain the company's financial position without implementing a rate increase in 2024. Walch noted the increasing challenge to maintain GVP's financial position as the number of distributed generation interconnected systems will likely surpass new meter connects in 2024. This will keep kilowatt hours relatively flat while costs to maintain a growing distribution system are expected to increase.

Walch noted that inflationary costs of labor, equipment, and contracts have made this effort more challenging but commended staff for working together to present a budget that meets these objectives.

Walch noted that department managers will present the preliminary budget for their department. Walch shared managers have ownership and take responsibility for following the approved budget throughout the year. Following departmental presentations, Walch stated that adjustments will be made over the following month as projections firm up. Walch asked directors to review the proposed budget and communicate any questions or concerns before the December Finance and Audit Committee meeting that will take place prior to the December board meeting. The Finance and Audit Committee will make its final budget recommendations to the board at the December board meeting.

Michalewicz led the review and presentation of GVP's preliminary 2024 budget. Department managers provided a review of each department budget.

Walch provided an overview of the timeline to review the budget ahead of next month's board meeting. Walch asked the Audit and Finance Committee to identify a date and time during the week of December 11 to review the proposed budget ahead of the December board meeting.

Power Supply Update – Walch noted that directors have been provided information regarding Xcel's proposed FERC filing clarifying the impact of GVP's five-year notice to terminate energy purchases from Xcel. He also reviewed GVP's response to the proposed filing. Walch noted that Williams

continues to work with Guzman to identify load-serving resources and the allocations of those resources to GVP. Williams noted that once this process is complete then GVP will be able to move forward with its NITSA application process.

Legislative Report – Walch noted that the Colorado Energy Office is taking its time to study net-metering legislation in Colorado. Walch indicated that the task force has been expanded to include a third cooperative representative.

Preliminary Review of 2024 Board Calendar – Walch brought forth the 2024 board calendar monthly meeting dates. Discussion ensued. Walch shared that a 2024 board calendar will be presented at next month's meeting.

Walch shared that GVP will be hosting a CREA Manager's Meeting on May 6-8.

VanWinkle shared that she will be attending a director training conference December 8 – 13. She stated that the December board meeting was originally moved from December 20 to December 13 to provide more time for families to travel during the Christmas holiday. VanWinkle asked if there is interest in moving the December board meeting back to its originally scheduled date of December 20. Discussion ensued.

MOTION: Motion by Burtard second by Landini to reschedule the December 2023 board meeting back to its originally scheduled date of December 20; unanimously carried.

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

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

III. Policy Committee – Review Proposed Revisions to Policy Bulletin No. 50 – Voting and Elections

Committee Chair Woods reported that the committee has met three times in person and communicated via email during the process of reviewing the election policy and attachment to the election policy. Woods shared that committee members have provided input to staff and counsel regarding proposed changes to GVP's Election Policy. Woods stated that the committee has voted 3-1 to recommend presentation and adoption of the amended policy and attachment to the full board at the December board meeting. Walch shared that changes are intended to increase transparency during the election process and minimize the opportunity for candidates to provide potentially misleading campaign-related material or statements to be distributed with the ballot to GVP members.

IV. Approve 2022 CashBack Credits

Michalewicz reviewed GVP's equity management policy, which provides a target of retiring 3-5% of the member capital account on an annual basis. Michalewicz shared management's recommendation that the board approve retirement of 3.2% of the outstanding unretired member capital balance. This would trigger member capital retirement of \$1,023,585.24 for members in the month of December.

MOTION: Motion by Rooks second by Sandeen-Hall to authorize 2023 member capital retirement of \$1,023,585.24, representing 3.2% of the total outstanding unretired member capital; unanimously carried.

Walch shared that historically GVP has scheduled in-person CashBack Credit check presentations for a couple of the larger consumers. Walch asked for director input to see if the board is interested in continuing this practice. The consensus of the board was to identify one consumer to schedule an in-person check presentation. Elder shared that GVP staff will email interested directors once a date is identified.

V. Approve 2024 Director Travel Request

VanWinkle noted that directors were provided a schedule of training opportunities and conferences for 2024 during last month's meeting. VanWinkle asked each director to identify the training opportunity and/or conference that they would like to attend. Discussion was held.

VI. Executive Session – Personnel Issues and Power Supply Update

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

Executive session convened at 1:24 p.m.

Regular session reconvened at 2:44 p.m.

MOTION: Motion by Coltrinari second by Mease to adjust staff salaries in accordance with the discussion held in executive session; carried 8-0 with DeYoung abstaining.

VII. Attorney's Report

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

VIII. CREA Report

Woods shared that CREA's increased budget expenditures have resulted in an overall average increase of 1.5% to GVP for administrative, communications, and safety and loss control services.

Walch asked for input from the board regarding support for the Light Up Navajo Project. Woods shared that he supports participation in the Light Up Navajo Project. The consensus of the board agreed with staff's recommendations to support the project.

IX. WUE Report

Mease shared that September was the fourth consecutive month of not exceeding year over year sales. Mease stated that representatives from Wyoming cooperatives shared that four cooperatives are considering merging into one cooperative in an effort to control costs and maximize efficiencies.

X. Continuing Business

None.

XI. New Business

None.

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

Meeting adjourned at 2:51 p.m.

Derek Elder, Acting Assistant Secretary

Janie VanWinkle, President