

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

Regular Meeting

December 19, 2024

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 19, 2024 at 845 22 Road, Grand Junction, Colorado. President Brian Woods called the meeting to order at 8:03 a.m. Attendees recited The Pledge of Allegiance.

ROLL CALL:

Joe Burtard	present
Kyle Coltrinari	present
Gary DeYoung	present
Lindsay Gray	present
Joe Landini	present
Jesse Mease	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; Rita Sanders, Director of Marketing & Communication.

II. Approve Minute Record of November 21 Regular Board Meeting

MOTION: Motion by Landini second by Sandeen-Hall to approve the minutes of the November 21, 2024 regular meeting; unanimously carried.

III. Approve Agenda

MOTION: Motion by Gray second by Mease to approve the agenda with an amendment to provide a report on Western Colorado Alliance and discuss rate philosophy under Continuing Business; unanimously carried.

IV. Guests and Public Comments

Walch reported that a Glade Park member stopped in and said they would attend a future meeting; two representatives from Atlasta Solar would return after the recess to address the board; and contract Lobbyists Steve Balcerovich and Tim Coleman will present virtually later in the day.

V. Recess – Board Committee-of-the-Whole Meeting

MOTION: Motion by Sandeen-Hall second by VanWinkle to recess the board meeting for a meeting of the Board's Executive Search Committee of the Whole

The board reconvened in regular session at 9:40 a.m.

Attendees who joined after the recess: Mike Kansgen, Director of Information Technology; Walter Fees, Acting Engineering Manager; Bill Barlow, Operations Manager; Destry Smith, Energy Services Administrator.

Tom Walch introduced guests in attendance: Margi Baleztena, member; and Isaac Ketcham, Atlasta Solar representative and a member of a household served by Grand Valley Power.

VI. Staff Reports

Grant Funding Projects – Walch reported the status of Grand Valley Power’s New ERA grant application. He said the USDA announced online that Grand Valley Power had been selected to move forward in the process to receive funding. Walch said staff members have been working through the application process over many months, and this is a positive sign that Grand Valley Power will be successful. He said the project will ensure that the cooperative is on track to source 100% of its energy requirements from renewables by 2030. Walch credited Matt Williams with the success of Grand Valley Power’s application and thanked Joe Michalewicz and Derek Elder for stepping up and continuing his work.

Michalewicz reported that Grand Valley Power executed a grant contract on December 11 with the Colorado Energy Office for the Aspen Park Project. The grant will match 75% of the cost to convert three-fourths of a mile of overhead line near Vega Lake to underground. The project will be completed by a Grand Valley Power crew over the course of two months this summer. Michalewicz said this work will mitigate fire risk and enhance resiliency and reliability. Members will benefit from reduced outage times.

Smith provided an update on the WARN grant for the undergrounding of lines in the Mesa Lakes area. He said Grand Valley Power is working with the US Forest Service to obtain the necessary permits and complete the NEPA process.

Finance – Michalewicz provided a summary of the monthly financials and reported on the disconnects and write-offs. Directors discussed Grand Valley Power’s low number of disconnects and collectible accounts. Michalewicz said the number is historically low for Grand Valley Power. He shared that the cooperative also has members who want to help others; and as an example, reported that a member recently brought cash for Grand Valley Power to use at its discretion for members who are struggling with their bills. Michalewicz reported Grand Valley Power mailed \$1.33 million in CashBack Credit checks to members and to date more than \$500,000 of these payments have cleared.

Directors discussed line loss. Michalewicz said among co-ops, line loss has gone up with the increase in distributed generation on the system. Fees said Grand Valley Power will also experience increases in line loss as its system ages.

Michalewicz said the cooperative moved all consumers on the Cycle 2 billing period to Cycle 1 as of December 1. The billing department called consumers whose automatic payment date would be impacted by the new billing date and helped to change their automatic payment dates.

Communications – Sanders thanked directors for attending the Grand Valley Power Christmas Party and supporting Toys for Tots. She said Grand Valley Power’s first quarterly newsletter would be mailed tonight to all members for whom Grand Valley Power has email addresses. She reported that a bill insert on Grand Valley Power’s scholarship program would be included with January bills. The deadline to apply for scholarships is March 1.

Member Services – Elder shared that each year, Grand Valley Power chooses a family to help during the Christmas season. Tonya Archuleta coordinates with the family, which is selected by member support representatives or lineworkers in the field. He said the families are usually those who do not ask for help but are struggling due to a changed circumstance or event beyond their control. Elder said that this year, Grand Valley Power employees purchased gifts for a family with children ages 6 to 15.

Elder said that Human Resources will announce position openings as it explores how to best meet members’ needs after the loss of Chief Operating Officer Matt Williams.

Elder reported that he'll testify before the Air Quality Control Commission (AQCC) in the Western Slope Colorado Oil and Gas Association's (WSCOGA) case on Greenhouse Gas (GHG) rulemaking. The AQCC recommends that all oil and gas facilities be converted to electricity by 2028. WSCOGA has concerns regarding the timeline, capacity, and availability of building infrastructure for all facilities. Elder indicated that his testimony would focus on Grand Valley Power and the challenges that exist in serving large loads in remote areas.

Engineering – Fees reported that Grand Valley Power has selected a contractor for the Highline Substation expansion. The lowest bid was returned by Great Southwestern Construction, which Grand Valley Power has engaged on previous projects, including the Adobe and Orchard Mesa substation projects. Based upon the bid response, our prior experience, and the recommendation of GVP's consulting engineers, the project was awarded to Great Southwestern.

Operations – Barlow reported on an outage that occurred this morning. He said an accident involving two vehicles and two poles impacted 590 households and the Fruita Middle School. Ute Water also was impacted with a broken fire hydrant. Barlow said crews needed to wait for first responders to clear the accident before they could begin restoration and are working diligently but with safety at top of mind.

Barlow also provided information that law enforcement recovered two Grand Valley Power transformers that had been stolen from a storage area adjacent to Xcel's Molina substation. He said this is the first time GVP has experienced this type of theft, and we have implemented new security measures to secure the equipment.

Barlow also reported that the engine failed on one of Grand Valley Power's small service bucket trucks that was on the schedule for replacement. Grand Valley Power is exploring replacement options but has other trucks that can temporarily be of service. Barlow said Grand Valley Power has been looking at used trucks on the market to replace a large bucket and digger trucks and will move forward purchasing them when they find the right ones for Grand Valley Power's fleet.

Information Technology – Kansgen invited board members to let him know if they need any assistance with technology or verifying whether an email or text is legitimate or spam.

VII. Legislative Update – GVP Contract Lobbyists Steve Balcerovich and Tim Coleman presented virtually on the upcoming legislative session.

VIII. Executive Session – Personnel Matters, Power Supply, Privileged Legal Report

MOTION: Motion by Sandeen-Hall second by Burtard to convene an executive session for the purpose of discussing personnel matters, for receiving a privileged power supply update and for receiving a privileged legal report; unanimously carried.

Executive session convened at 11:01 a.m.

Regular session reconvened at 1:27 p.m.

MOTION: Motion by Sandeen-Hall second by VanWinkle to award CEO Tom Walch a performance bonus in recognition of outstanding performance by the cooperative in safety excellence and other areas as discussed during executive session; motion passed 8-0 with one abstention by Gary De Young.

IX. CEO Report

Review 2025 Management and Board Objectives – Walch led a discussion of the 2025 Management and Board Objectives. Leaders answered questions about idle services. Walch asked directors to consider the objectives, and directors agreed to bring any changes to Walch before the January board meeting.

Legislative Update – Walch shared an update on efforts to limit cooperative liability for damages associated with wildfires in the upcoming Colorado legislative session. Succeeding with such legislation would likely require funding to pay for the costs of oversight, and the cooperatives that participate could be asked to cover those costs. Walch said it would take time to develop.

Walch reported that several staff and directors traveled to Collbran to present CashBack Credit checks to some of the largest Grand Valley Power members on the Mesa, including the U.S. Job Corps, the Plateau Valley School District, and the Town of Collbran. Walch said the community appreciated Grand Valley Power’s visit and invited us to participate in more activities.

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

X. Consent Agenda

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

XI. Finance and Audit Committee: Approve 2025 Work Plan and Budget

Walch said the Finance and Audit committee met to review the 2025 budget. He said an increase of 3% in revenue is built into the fourth quarter of 2025 to reflect revenue to be generated by a proposed rate increase.

Director Coltrinari said the Finance and Audit Committee found the budget to be sound and recommends that it be approved as presented.

MOTION: Motion by Coltrinari second by Gray to approve the 2025 Work Plan and Budget; unanimously carried.

XII. Approve 2025 Board Calendar

Walch reported that the January meeting has been moved to the fourth Wednesday on January 22. De Young said he will need to participate virtually in January due to a conflict. Directors discussed the 2025 board calendar and will consider its adoption at the January meeting.

XIII. Consider Contribution to CARE Independent Expenditure Committee

Walch reported that Grand Valley Power has been asked to consider a contribution to the Colorado Advocates for Rural Electrification (CARE) Independent Expenditure Committee. GVP has not made direct contributions to the committee in the past.

Director Sandeen-Hall, who serves on the CARE Committee, said she would be reluctant to commit funds from GVP, as members are capable of making their own decisions with respect to contributions to political candidates or initiatives, without the cooperative committing funds on their behalf.

XIV. Director Reports on Conference and Training Activities

Director Mease reported that he took the opportunity to meet new people at the NRECA Winter School for Directors by inviting other directors to join him for meals. Mease said the conference classes were very much relevant to Grand Valley Power business and he learned a great deal.

XV. Colorado Rural Electric Association Director’s Report

Director Woods’ said that Walch’s term as president of the CREA manager’s group has ended.

Walch reported that Executive Director Kent Singer announced his retirement from CREA effective in January

of 2026. He also noted that Curt Graham has been named the Director of Safety and Loss Control. Walch said the board also discussed the potential for CREA to relocate its headquarters.

Directors discussed CREA and that *Colorado Country Life* magazine is self-supporting.

XVI. Western United Electric Supply Director's Report

Mease reported that Western United's sales increased for the month of November while lead times are decreasing. He said the organization is working to right-size inventory as lead times continue to decrease. The organization is uncertain how prices might be impacted if tariffs are imposed on imported materials.

XVII. Continuing Business

Director De Young summarized a discussion he had with a Western Colorado Alliance representative about questions the organization asked of Grand Valley Power members who its representatives visited door to door. He said more than 80% of the members they talked to were aware of the election.

Directors discussed election processes, including providing more candidate information to members and online and mail-in voting. Walch indicated that staff is planning to provide a web page that would give candidates a forum to inform members about their positions on issues affecting the cooperative. With respect to online voting, Walch said Grand Valley Power has had some very close elections in recent years and has managed those elections without any questions or disputes by candidates or members. He suggested that the transparent approach used in tabulating ballots provided significant confidence in election outcomes and expressed concern that this high level of transparency would not be available with online balloting. He also expressed concerns that online voting may make it easier for special interest groups to impact election results. Staff members reported that they had not heard any negative comments from members about the current process, which uses mail-in voting and a third-party accounting firm to count and verify the validity of the election.

De Young summarized the various topics that directors discussed at previous meetings regarding a rate philosophy and suggested the board determine a philosophy prior to reviewing the results of the Cost-of-Service Study. He said the philosophy could impact how directors look at the data.

Directors discussed a rate philosophy. Several directors indicated they were in favor of waiting until more data was available before formal adoption of a rate philosophy. Board President Woods indicated that a rate philosophy discussion would be included on the agenda at the February board meeting.

XVIII. New Business

None.

XIX. Adjourn

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

Meeting adjourned at 3:04 p.m.

Rita Sanders, Assistant Secretary

Brian Woods, President