

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

Regular Meeting

February 21, 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, February 21, 2024 at 845 22 Road, Grand Junction, Colorado. Vice President Jesse Mease called the meeting to order at 9:00 a.m. Attendees recited The Pledge of Allegiance.

ROLL CALL:

Joe Burtard	absent
Kyle Coltrinari	present
Gary DeYoung	present
Joe Landini	present
Jesse Mease	present
Bill Rooks	present
Carolyn Sandeen-Hall	present
Janie VanWinkle	absent
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; Destry Smith, Energy Services Administrator; Sarah Abbott, Attorney; Eric Anderson, Regional Vice President, National Rural Utilities Cooperative Finance Corporation.

II. Approve Minute Record of January 17 Regular Board Meeting

**MOTION:** Motion by Woods second by Coltrinari to approve the minutes of the January 17, 2024 regular meeting. A friendly amendment was offered by Rooks and accepted to edit the vote recorded for Resolution 24-01, Authorization to Approve Revised Net Metering Tariff, to 7-0 with one abstention by DeYoung to reflect the board president not voting; unanimously carried.

III. Approve Agenda

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

IV. Guests and Public Comments

Eric Anderson from National Rural Utilities Cooperative Finance Corporation (NRUCFC) expressed his appreciation for the opportunity to work with Grand Valley Power's team and his excitement for Grand Valley Power's success in recent years. Walch added that the board and Grand Valley Power leadership are gearing up for a strategic planning session in April that will be facilitated by Anderson and Darrin Lynch, NRUCFC Vice President, Strategic Facilitation.

V. Staff Reports

Member Services – Elder reported that in the next few weeks Grand Valley Power will update the audio-video system in the board room with a high-resolution monitor.

Elder also reported that the cooperative was closed on Presidents' Day, but it was a working day filled with teambuilding and leadership opportunities for all employees. Employees participated in activities designed to provide experience and knowledge of other departments and people with whom they don't regularly work. For example, employees could learn about operating a digger truck and climbing a pole. Employees also took part in teambuilding events and celebrated recent milestones, including marking five years without a lost-time accident. Employees also raised \$430 for its Go Baby Go Community Impact Project by raffling a Solo Stove donated by Uline, one of the cooperative's vendors. Walch presented a special logo designed to recognize GVP's "Five-Star" safety program. Directors agreed with Walch that this logo should adorn directors' shirts at this year's annual meeting.

Elder also indicated that Grand Valley Power has made an offer to an apprentice lineman to start employment in May and fill the vacancy in operation. He noted he has also advertised to fill two upcoming job vacancies: system operator (dispatcher) and GIS analyst.

Communications – Sandeen-Hall reported that Grand Valley Power won several awards in the *Colorado Country Life* Excellence in Communications contest, including the Best Overall award for newsletters and in Division 2: first place for Best Safety Article (Dana Pogar), second place for Best Community Article (Tom Walch), first place for Best Industry Article (Walch) and second place for Best Photo (Rita Sanders).

Sanders shared that Grand Valley Power is the Barrel Racing Individual Event sponsor for the Colorado Stampede Rodeo, a Grand Junction PRCA event with a long history that is being revived this year. Sanders also said that scholarship applications are due March 1, and the Scholarship Selection Committee will meet March 11 to select this year's recipients of the Jack Broughton, Grand Valley Power and CMU Tech scholarships. Applications for the Lineworker Scholarship are due June 1. Grand Valley Power will also participate in the Mesa County Safety Fair February 28 and 29.

Energy Services – Smith reported that Grand Valley Power received several calls recently from members in Fruita and Loma who said that solar vendors using aggressive sales tactics were going door-to-door and misrepresenting themselves as working for GVP and providing misinformation. Members helped identify the vendor, which resulted in that business being removed from Grand Valley Power's Preferred Vendor Installer list.

Operations - Barlow reported on a near-miss on a Molina line where crews have been working to rebuild a circuit. Barlow said that a digger truck made contact with the line and caused an outage. No one was injured and crews responded appropriately to solve the problem safely. About 250 members were without power for about two hours during the outage.

Barlow said that Operations is developing a fleet replacement plan based on mileage, maintenance, and repairs. The department recently allocated funds to repair a bucket truck that has been scheduled for replacement; however, supply chain issues have caused delays in the delivery of the replacement. A digger truck is also being scheduled for replacement with supply chain lead times built into the planning.

Engineering – Williams reviewed the Wildfire Mitigation 2023 Annual Report. He said that one utility-caused ignition occurred in 2023 due to failing equipment and one vegetation-caused ignition occurred.

Finance – Michalewicz provided a summary of the monthly financials and reported on the disconnects and write-offs. He reported that wholesale power rates changed effective January 16, increasing power supply expenses to \$330,000 for 2024. The impact is a reduction in gross margins of \$288,428.

Walch and Michalewicz provided information about a proposed acceleration of Grand Valley Power's Pension (VCAP) Amortization expense recommended by staff. With this action, amortization expense scheduled to be recognized in 2024 and 2025 would instead be recognized in 2023, boosting margins in those subsequent years. Auditors have indicated that with board approval, this treatment meets

accounting standards. A Profit and Loss Statement detailing the projected impact of changes in power costs and acceleration of amortization expenses on the 2024 budget was presented to the board.

**MOTION:** Motion by Woods second by DeYoung to approve the Pension (VCAP) Amortization Acceleration; unanimously carried.

VI. CEO Report

Power Supply Update – Walch referred directors to his CEO Report for the Power Supply update.

Legislative Report – Walch updated the board on legislative issues, noting that CREA is considering whether it should oppose a state bill calling for a moratorium on all new oil and gas drilling permits after 2030. Directors discussed the moratorium bill and agreed that oil and gas are still used for many products and in many industries and that CREA should oppose the bill. Walch also shared information about a proposed bill that requires utilities to absorb the cost of system upgrades necessary to support the growth of distributed generation. At this point, the bill does not apply to cooperatives.

Walch reported that Kent Singer with CREA has asked to attend a future GVP board meeting. Walch noted improvement in support provided by CREA, citing work done by Tim Coleman, CREA’s Director of Government Relations, and Jenna Hirsch, CREA’s Director of Safety and Loss Control. Walch provided information about strategic planning for Grand Valley Power that will occur in April, confirming with the board the April 16 and 17 dates for the session.

**MOTION:** Motion by Sandeen-Hall second by Landini to approve the CEO report; unanimously carried.

VII. Consent Agenda

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

VIII. Executive Session – Personnel Matters, Legal Update

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

Executive session convened at 11:14 a.m.

Regular session reconvened at 11:37 a.m.

IX. Attorney’s Report

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

X. Director Reports on Conference and Training Activities

Landini reported on the New Director Orientation he attended at the headquarters of the National Rural Electric Cooperative Association.

XI. Colorado Rural Electric Association Report

CREA Annual Meeting – Sandeen-Hall reported on the CREA Annual Meeting held in Denver. She said the meeting comprised many timely sessions and reports from affiliated organizations. Sandeen-Hall said she appreciated the optimistic report on the economy by John Suter of the National Rural Utilities Cooperative Finance Corporation, guidance on the topic of cyber security, and the information from Federated Insurance stressing the importance of safety as it relates to contractor liability.

Walch also shared information about the CREA officer elections and said that western Colorado will be well-represented as most of those elected are from the western side of the state.

XII. Continuing Business

None.

XIII. New Business

None.

XIV. Adjourn

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

Meeting adjourned at 11:52 p.m.

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Rita Sanders, Assistant Secretary

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Jesse Mease, Vice President