

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

Regular Meeting

January 17, 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, January 17, 2024 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; 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; Tanya Marchun, Communications Specialist; Jeff Hurd, Attorney.

II. Approve Minute Record of December 20 Regular Board Meeting

MOTION: Motion by Mease second by Sandeen-Hall to approve the minutes of the December 20, 2023 regular meeting; unanimously carried.

III. Approve Agenda

DeYoung indicated that he would like to present information to the board regarding net metering rate impacts prior to board consideration of proposed changes to the GVP Net Metering tariff.

MOTION: Motion by Sandeen-Hall second by Coltrinari to approve the agenda as amended to include the presentation and request by DeYoung; unanimously carried.

IV. Guests and Public Comments

None.

V. Staff Reports

Communications – Sanders thanked the Member and Community Relations Committee for meeting to choose the Youth Program recipients and reported that the scholarship application period is open through March 1. She also noted that Grand Valley Power will participate in the Mesa County Safety Fair Feb. 28-29.

Human Resources – Elder reported that Jenifer Young, Grand Valley Power’s new Member Support Representative, will start Monday. She will fill in for an employee who is on maternity leave and then replace a representative who is retiring in April. Elder stated that GVP received 126 responses to its posting for a lineworker position, including six applications from journeymen. Among the apprentice applications are three of the last four GVP lineworker scholarship recipients. Board members commended Grand Valley Power leadership for building a positive culture and hiring and retaining quality employees.

Smith reported that Grand Valley Power is seeing seasonal effects on distributed generation installs, which have decreased going into winter. Grand Valley power ended 2023 with 312 new distributed generation connects and a total of 1,145 on the system. He reported that high bill complaints have increased with colder weather.

Information Technology – Allen reported that IT is upgrading the audio-visual in the board room and is working with NISC to increase GVP’s backup storage at a lower cost. Allen said that storage prices have come down and NISC is encouraging members to increase their backup capacity in case of cyber-attacks. Walch indicated that at a recent NISC board meeting it was noted that ransomware attacks are increasing across the industry, but that disruptions have been limited because cooperatives have effective backups in place.

Operations - Barlow reported that contractors are finishing up a project in Orchard Mesa and a Grand Valley Power crew is working on a circuit rebuild at the Molina substation. Barlow also shared that a developer of multi-family housing in Fruita expressed his appreciation for how quickly a Grand Valley Power crew restored power at his site after a line was severed compared to his experience with other utilities.

Walch congratulated the Operations team and Grand Valley Power employees for their commitment to safety and ending 2023 with no lost-time accidents.

Directors asked about the process for fiber installations and clearance requirements for these installations.

Finance – Wheeler provided a summary of the monthly financials and the disconnects and write-offs, noting that kilowatt hour sales were lower year over year due to mild weather. Since December, members have cashed \$182,000 in CashBack Credit checks.

Engineering – Williams reported that Grand Valley Power’s System Average Interruption Duration Index (SAIDI) was 68.1 outage minutes per member in 2023. Excluding the 7.3 minutes per member that were caused by power supply outages, Grand Valley Power’s SAIDI was 60.8 minutes per customer for 2023. Williams noted the achievement is in line with GVP’s goal of 60 outage minutes per member while the national average is closer to 120 minutes. Williams credited proactive maintenance, system planning, tree trimming and employee dedication for GVP’s impressive SAIDI score. Walch said GVP has a track record of strong reliability numbers sustained over a number of years.

Williams noted that incorporated in the System Demand Report included in the board packet is a new report that shows the distributed generation hosting capacity of each substation and circuit. He said that because Grand Valley Power cannot export load back onto Xcel’s system, a finite amount of hosting capacity remains on some parts of the system. The report will help staff to monitor the capacity of Grand Valley Power’s system as it receives applications for new distributed generation connections. Directors discussed Grand Valley Power’s system capacity, requirements, and options for communicating with members and solar installers.

Walch presented proposed changes to Grand Valley Power’s Net Metering Tariff that includes a revised settlement process beginning in 2025 for members who have oversized systems. Walch said

that under the revision, members must be in good standing to be eligible for the net metering settlement process beginning in April 2025. He said Grand Valley Power has a legal right to impose penalties on members who are in noncompliance to ensure the safe operation and integrity of Grand Valley Power's distribution system. Members who have oversized systems would be notified in advance of the April 2025 settlement process. Discussion ensued. Directors commented that this revision would give members who are in violation of the policy sufficient notice and time to adjust. Directors discussed the potential for future legislative actions that could impact Grand Valley Power's Interconnection Policy.

VI. CEO Report

Power Supply Update – Walch provided information that Grand Valley Power received a \$662,000 bill from PSCo (Xcel) because it made mistakes allocating fuel and commodity costs between retail and wholesale customers in past years. He noted that further corrections will be built into revisions to Xcel's 2024 formula rates. While Xcel promised details regarding this rate revision by January 15, Grand Valley Power still has not received the promised information from PSCo.

Walch also reported that PSCo has developed a methodology to communicate with wholesale customers about fuel prices during severe weather events. The company has assigned colors to different ranges of fuel rates and will update its wholesale customers on fuel prices by what color range the rate falls into. Elder said he communicated with PSCo throughout the weekend in anticipation that extreme cold weather on the plains would impact fuel costs, but that the demand for more electricity brought on by the weather was mitigated by a healthy amount of wind generation through the weekend, along with production from Comanche 3 coal-fired generation plant.

Legislative Report – Walch provided information that labor laws have created challenges for small businesses. Walch invited directors attending the CREA annual meeting to a reception he is co-sponsoring to introduce the Colorado cooperative community to one of the candidates running for the open seat in Colorado's U.S. Congressional District 3.

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

VII. Consent Agenda

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

V. Appoint Election Supervisory Committee

Walch shared that Election Supervisory Committee members who served in 2023 have agreed to serve again in 2024 and recommended that the board appoint committee members: GVP's general counsel from Ireland Stapleton; Wayne Keeler of Chadwick, Steinkirchner, Davis & Co.; and cooperative member Mike Wells of Loma. Directors discussed the cost of the ballot tabulating process.

MOTION: Motion by Mease second by Woods to accept the recommendation and re-appoint the 2023 members of the Election Supervisory Committee for 2024; unanimously carried.

VI. Community and Member Services Committee Report

Sandeen-Hall shared that the Member and Community Relations Committee met and reviewed applications for the summer Youth Programs. Grand Valley Power received applications from four students who met the criteria for the programs. Two applicants each requested the Washington DC Youth Tour and the Cooperative Youth Leadership Camp as their first choices. Sandeen-Hall said all applications were interesting to read and

the committee recommends the selection of: Liliana Davis from Central High School to attend the Washington DC Youth Tour and Alana Wade from Grand Junction and Sydney Maurer from Palisade high schools to attend the Cooperative Youth Leadership Camp. Maurer would serve as alternate for the DC trip if Davis cannot make it.

MOTION: Motion by Sandeen-Hall second by Coltrinari to approve the three candidates to attend Grand Valley Power's youth programs for high school students; unanimously carried.

VII. Approve 2024 Management Objectives and Development Opportunities

Walch shared the 2024 Management Objectives and Development Opportunities. Directors discussed when it would be appropriate to conduct a Cost-of-Service Study and examine Grand Valley Power's rates.

MOTION: Motion by Sandeen-Hall second by Landini to approve the 2024 Management Objectives and Development Opportunities; unanimously carried.

VIII. Approve Resolution 24-01 Authorization to Approve Revised Net Metering Tariff

Walch reviewed Resolution 24-01 Authorization to Approve Revised Net Metering Tariff.

Director DeYoung shared work he did to explore distributed solar generation's effects on demand during GVP's system peak, and how the financial benefits of their contribution during the system peak is often overlooked or ignored. Williams provided a description of how distributed generation receives credit for the generated demand as a kWh rate component through net-metering.

Directors thanked DeYoung for his work exploring how net-metering members' effect on demand during the system peak could be quantified and discussed the possibility of such data being analyzed in a Cost-of-Service study. Walch noted that the goal of rate development is to maintain fair and equitable rates for all members.

MOTION: Motion by Sandeen-Hall second by Coltrinari to approve Resolution 24-01, Authorization to Approve the most recent Revised Net Metering Tariff that includes the alternative proposal regarding a revised net metering settlement process beginning in April 2025, as well as a \$50.00 increase in the Net Metering Interconnection Application fee; carried 7-0 with DeYoung abstaining.

IX. Review Director Responsibilities Regarding CEO Performance Evaluation

Director VanWinkle said that in preparation for the CEO evaluation in March, she would send the evaluation form and information to directors before February 1 for discussion at the February meeting.

X. Executive Session – Power Supply RFP Update, Legal Update, financial update

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

Executive session convened at 11:33 a.m.

Regular session reconvened at 12:03 p.m.

XI. Attorney's Report

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

XII. Director Reports on Conference and Training Activities

Director VanWinkle reported that she went to Nashville for the Winter School for Directors.

Directors discussed ways that Grand Valley Power could engage with its members, including youth who have participated in GVP's youth programs and having a member advocate group. VanWinkle shared that other co-ops are seeing benefits to having people involved in the cooperative model who do not necessarily want to be involved at the board level. Walch shared his appreciation for the discussion and said directors could also bring up ideas and issues they'd like to discuss during New Business.

XIII. Colorado Rural Electric Association Report

CREA Annual Meeting – VanWinkle asked that those who are going to the CREA annual meeting prepare to share a report when they return.

Sandeen-Hall provided information about CARE (Colorado Advocates for Rural Electrification) and America's Electric Cooperatives PAC (formerly the Action Committee for Rural Electrification) and said she would be running for re-election to the CARE board. The group works to advocate for legislators who will listen to their point of view. She encouraged directors to consider helping the organization with a donation. Directors discussed possible candidates for the PAC chair.

XIV. Western United Electric Supply Report

Mease reported that Western United's sales are slightly up to finish the year and inventory has leveled off at \$56 million, but that supply chain issues still impact transformers for the foreseeable future.

XV. Continuing Business

None.

XVI. New Business

None.

XVII. Adjourn

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

Meeting adjourned at 12:53 p.m.

Rita Sanders, Assistant Secretary

Janie VanWinkle, President