

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

Regular Meeting

April 16, 2025

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, April 16, 2025 at 845 22 Road, Grand Junction, Colorado. President Brian Woods 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 De Young	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 Operating Officer; Joseph Michalewicz, Chief Financial Officer; Mike Kansgen, Director of Information Technology; Rita Sanders, Director of Member Services & Communication; Bill Barlow, Manager of Operations; Walter Fees, Manager of Engineering; Sarah Wheeler, Manager of Accounting and Human Resources; Wyatt Vidmar, Engineer; Destry Smith, Energy Services Supervisor; Tonya Archuleta, Member Support Supervisor; Lauren Phelps, General Accountant; Chance Semones, Energy Services Technician; Clint Blaylock, Serviceman; Kit Mabley, Serviceman; Trevor Lettman, Foreman; Kobi Webb, Attorney.

II. Approve Minute Record of March 19 Regular Board Meeting

**MOTION:** Motion by Sandeen-Hall second by Mease to approve the minutes of the March 19, 2025 regular meeting. Walch noted that one typo had been corrected in the minutes. Motion carried unanimously.

III. Approve Agenda

**MOTION:** Motion by Mease second by Landini to approve the agenda with an amendment to discuss a charitable contribution request from the Clifton Lions Club in memory of Grand Valley Power retiree and former Finance and Accounting Manager Pat Kanda; unanimously carried.

IV. Guests and Public Comments

Walch said that Guzman Energy representatives Jeff Heit, Managing Director, and Michael Ott, Chief Financial Officer, would provide a Power Supply Update during Executive Session.

Present: Nina Anderson, member; Tyler McDermott of Western Colorado Alliance for Community Action; Matt Fowler of Atlasta Solar; and Mandy Rush, member.

## V. Staff Reports

Walch reported that Fees passed the Professional Engineer (PE) exam, which will pave the way for him to become a licensed professional engineer. This certification will enable Fees to approve engineering plans for Grand Valley Power. Walch introduced Wyatt Vidmar, who started April 1 as Grand Valley Power's engineer. Vidmar attended the School of Mines. He previously worked in the oil and gas industry and at CoorsTek. Walch introduced Chance Semones, GVP's new Energy Services Technician. Semones previously worked in the residential construction industry.

Walch introduced GVP foreman Trevor Lettman and servicemen Clint Blaylock and Kit Mabley, who reported about the Echelon Front leadership training they recently attended. They thanked the board for allowing them to attend the training. Blaylock said he has been interested in attending the Echelon Front training since reading a book and listening to podcasts on the training and leadership tactics employed by the organization. At the training he learned leadership is a skill that people can always improve upon. Mabley said the training encouraged them to self-reflect on how each could improve their skills.

Elder provided an update on GVP's board-approved contribution to the Colorado River District in support of its acquisition of the Shoshone Water Rights. The district reports that it is moving forward on establishing 501(c)(3) status, which is a contingency that must be met before GVP can move forward with its contribution.

Elder reported that good weather has allowed work on the Twin Peaks Bible Camp line extension to be completed ahead of schedule. Elder shared that Jimmy Weber is four courses away from finishing his bachelor's degree in information security. He anticipates completing the degree in October.

Information Technology – Walch noted that Kansgen has introduced an effective messaging campaign for maintaining password security that compares passwords to underwear and underscores the necessity to change both often.

Kansgen reported that IT is using software to log printer usage with the goal of reducing costs. He said the department is encouraging employees to store documents in OneDrive, which provides secure remote access. Kansgen noted that a new computer was installed in the boardroom and the team is working to install a backup sound system.

Member Services and Communication – Sanders shared that a press release on the power purchase agreement with Redlands Water and Power will be sent to the media this week. She thanked the board members who have volunteered to present Grand Valley Power's scholarship and youth program recipients at their high school award ceremonies.

Sanders noted upcoming events: Lineworker Appreciation Day on April 18, the Glade Park Wildfire Prevention Fair on May 3, the Colorado Stampede Rodeo over Memorial Day weekend, the Movies Under the Stars sponsorship on June 20, Plateau Valley Heritage Days July 3-4, and the GVP employee picnic on July 10.

Sanders said director petitions will be available April 28. She said that last year members requested more information about candidates. The cooperative has prepared a process for posting candidate information on the website and sharing in the ballot materials that the information is available online.

Walch shared the description of the process that would be included in the director petition packet to inform candidates about the opportunity and timeline. Director De Young asked if providing additional

candidate information on the website violates Grand Valley Power's election policy. Walch said that the policy describes the candidate information that will be shared in the ballot materials, but not on the website. He said GVP's attorney, Kobi Webb, will look at the policy and provide any necessary changes. Walch said he would share the results with directors before the petitions are made available.

Engineering – Fees presented a summary of Grand Valley Power's new power purchase agreement with Redlands Water and Power to purchase 1.5 MW of power from its local hydropower plant on the Redlands Water and Power canal system. The hydropower plant diverts 750 cubic feet per second (cfs) from the Gunnison River through the canal and plant before it returns to the Colorado River. Walch said the cooperative's contract with Xcel Energy provides for a carveout that allows GVP to purchase up to 1.5 megawatts of electricity from other power sources.

Fees provided an update on the Highline substation expansion. He said the conduit has been installed, the transformer delivered and placed, and steel infrastructure erected. Michalewicz said the cash-flow impact of invoices for the transformer and steel is \$900,000. Fees said the next steps include installing reclosers and testing the system before energizing the line. The goal is to energize the substation in May before summer peaks hit. Fees noted the mobile substation has been running well. He noted that system demand reports included in the board packet are not accurate as the cooperative does not have metering in place with the mobile substation in operation.

Operations – Barlow reported that a water well drilling rig contacted a GVP power line in the Glade Park area. Mabley, who responded to the resulting outage, encouraged the operator to go to the hospital. Barlow said the operator visited a medical professional, who noted that the operator didn't show any effects of the incident.

Barlow presented Grand Valley Power's Wildfire Mitigation Plan Annual Report. Walch said future reports will also identify infrastructure improvements designed to support wildfire mitigation.

Barlow summarized two recent outages caused by automobile accidents that took out power poles.

Energy Services – Smith reported that GVP is working through the distributed generation settlement process according to the cooperative's policy. Smith reported that 316 settlement checks totaling \$62,000 would be mailed to net-metering members this year. He said this is an increase of 85 checks and \$46,000 over last year.

Director De Young asked how avoided cost is determined. Michalewicz said GVP uses a calculation provided at the time of the most recent Cost of Service Study to determine avoided cost. De Young suggested that the avoided cost should be estimated.

Walch said De Young should have brought his concern to him before the board meeting and before staff has run the settlement process.

De Young said he brought up the distributed generation settlement process last year. De Young added that if a policy is being violated, then it's appropriate for a board member to address it.

Director Coltrinari said the board's job is to come together as a collective group and make the best decisions it can on behalf of members. Coltrinari said the board packet is provided to directors several days in advance of the meeting, and questions and concerns should be brought up prior to the meeting.

Director VanWinkle said that meeting delays could be avoided by raising concerns ahead of time.

Walch noted that the net-metering tariff provides that payments for excess accrued kilowatt-hours

shall be equivalent to the estimated average cost GVP would have had to pay to its wholesale provider based upon the time the excess accrued kilowatt-hours were generated. He asserted that the tariff does not require that the avoided cost be based upon data from the prior year. Walch said Grand Valley Power has not received any member complaints about the settlement process.

Directors discussed the cost of power and how it might impact the avoided cost calculation.

President Woods said the issue has been addressed adequately and the board is ready to move on.

Finance – Michalewicz provided a summary of the monthly financials and reported on the disconnects and write-offs. He noted that distribution equity is high at 39.51% and will start to decline as the cooperative reconciles expenses for grant and maintenance/upgrade projects. Michalewicz presented a new Collection Report graph showing the trend for this data. Directors discussed interest rates on loans.

Michalewicz reported that he is working with the Colorado Energy Office on the Aspen Park project to meet requirements, including Buy America Build America (BABA). He said the cooperative received a de minimus waiver of the BABA requirement for 5% of the materials for the total project.

Michalewicz described a delay in the WARN Grant contract for Mesa Lakes due to inconsistent references in the contract with respect to choice of law provisions. He noted that the Department of Energy is working to correct the inconsistencies. Michalewicz noted that material costs have gone up significantly, by as much as 90%, since the original grant application was submitted. The cooperative will bear responsibility for all cost increases.

Human Resources – Wheeler said Grand Valley Power is advertising for a Member Support Representative in the billing department. Walch said the cooperative has closed its postings for the safety coordinator and line patrol positions.

## VI. CEO Report

Grant Update – Walch reported significant movement has occurred with the New ERA grant application since the last board meeting. He said the USDA has resumed its review of grant projects and invited Grand Valley Power to revise its application to align with the Trump administration's Unleashing American Energy initiatives. Michalewicz and Walch are looking closely at GVP's submission and are exploring whether parts of the application should be amended. Walch said Grand Valley Power's submission aligns closely with what the Trump Administration wants to accomplish through the grants, as it provides rate stability for rural residents, enhanced reliability and resiliency, and is sourced from local energy. The deadline for submitting amendments is April 24. At this point no material changes to the project are expected.

Legislative Report – Walch provided an update on the legislative session. He said the Clean Energy Plan update bill was postponed indefinitely but will likely be brought back in a future session. The bill, which would accelerate required reductions of greenhouse gas emissions by 10 years, would significantly impact resource adequacy planning. So far, Grand Valley Power has been ahead of greenhouse gas emission requirements. Another significant bill that would provide tax incentives to data centers could also impact resource adequacy and strain an already limited transmission system. Cooperatives are advocating that developers must work with the host utility and complete studies to evaluate and mitigate impacts before such centers qualify for incentives.

Walch presented an updated 2025 Board Calendar, including dates for tentative CEO search discussions. He also suggested looking at effective dates for rate updates. With director elections slated for August, the board agreed to consider postponing board action on the rates, as well as the effective date of any rate change, until after the new board is seated. An anticipated timeline would include the introduction of a Shared Savings

Program at the annual meeting in August; formal consideration of a rate change at the September board meeting; and making any necessary rate changes effective November 1. Walch also asked the board to consider a rate workshop in July.

Walch shared that a memorial service for Pat Kanda would be held at 2 p.m. on May 31 at the Grand Junction Moose Lodge.

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

VII. Consent Agenda

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

Director Mease commented that he likes the new SiteDocs application that the crews are using in the field.

VIII. Review Proposed Guidelines for Member/Public Attendance at Board Meetings

Walch referred to the proposed guidelines in the board packet for member/public attendance at board meetings. Director VanWinkle said she would like to add a specific time limit for each speaker, perhaps 3-5 minutes. Directors discussed time limits for individuals and the total comment period.

**MOTION:** Motion by Gray second by Vanwinkle to approve the Guidelines for Member/Public Attendance at Board Meetings with the change to the fourth bullet: To ensure the efficient conduct of cooperative business, individual public comments are limited to no more than three minutes. The presiding officer may limit the overall public comment period; unanimously carried.

IX. Approve Resolution R25-01 – Amendment of General Rules and Regulations Adding Line Extension Engineering Fee

Walch presented a proposed change to the General Rules and Regulations to add a line extension engineering fee of \$200.

Directors discussed the proposed fee. Walch said the primary purpose of the fee is not to recover revenue, but to have individual members take responsibility for the exploratory work that they ask Grand Valley Power to do. He said the cooperative would like to discourage members from asking for exploratory work that will not be completed. Elder said this is for primary line extensions and not service upgrades. Directors discussed the number of abandoned work orders written off each year.

De Young asked if the fee should be \$300 to account for Grand Valley Power's actual cost to do exploratory engineering. Walch said the primary purpose of the fee is not revenue recovery, but rather to discourage work that is ultimately abandoned, and believed that a \$200 fee would meet this objective.

**MOTION:** Motion by De Young to add a line extension engineering fee of \$300; died for lack of a second.

**MOTION:** Motion by VanWinkle second by Sandeen-Hall to approve the change to the General Rules and Regulations as presented; unanimously carried.

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

**MOTION:** Motion by Sandeen-Hall second by Coltrinari 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 11:52 a.m.

Regular session reconvened at 1:22 p.m.

XI. Finance and Audit Committee – Report on Virtual Meeting with Auditor

Director Coltrinari reported that auditors Kevin Kelso and George Lynch presented their 2024 Audit Report to the Finance and Audit Committee during a thorough virtual presentation. He said GVP received an Unmodified Opinion with no audit adjustments. Michalewicz presented the Audit Report. This year's cost for the audit was \$37,500. Walch credited GVP's Finance team members Sarah Wheeler and Lauren Phelps for supporting an effective audit process.

**MOTION:** Motion by Coltrinari second by Mease to accept the 2024 Audit Report as presented; unanimously carried.

XII. Contribution Request from Clifton Lions Club in Memory of Pat Kanda

Walch thanked the board for amending the agenda to include consideration of a contribution request from the Clifton Lion's Club in honor of Pat Kanda, GVP retiree and former Finance and Accounting Manager. The contribution would support the club's fundraising efforts for Camp Abilities Colorado. The organization empowers blind students to be an integrated and active part of the world. Walch said it appears that this donation would align with the cooperative's objectives for unclaimed capital credits.

**MOTION:** Motion by De Young second by Gray to refer the contribution request to the Member and Community Relations Committee; unanimously carried.

The board discussed the possibility of establishing a charitable foundation to support low-income consumers who face challenges paying their electric bill, as well as provide a receptacle for scholarship donations. Grand Valley Power already provides consumers with the option to round up their bill in support of Energy Outreach Colorado, and perhaps the cooperative could provide for both options. A foundation would be managed by an independent board of directors. Directors discussed the potential for how contributions could be used and whether the cooperative could provide matching funds.

It was the consensus of the board to have staff work with GVP's attorney to provide more information about the creation of a foundation.

XIII. Attorney's Report

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

XIV. Director Reports on Conference and Training Activities

Director Gray reported that she attended the New Director Orientation. She enjoyed meeting directors from all over the country and toured the NRECA and CFC buildings. Two of the popular topics of discussion were governance and legal issues.

XV. Colorado Rural Electric Association Director's Report

President Woods reported the executive team is preparing for a CEO search and CREA has written a financial plan to purchase property to house its headquarters and is searching for a location. Cooperatives would pay an additional amount annually to support the purchase, which could be up to \$3,000.

XVI. Western United Electric Supply Director's Report

Director Mease reported that Western United margins are up, and the cooperative continues to expand. He said lead times on padmount transformers have decreased.

Continuing Business

Director De Young asked about the status of net-metering individuals whose production exceeded installation limits. Grand Valley Power staff will follow up.

XVII. New Business

De Young presented a document he developed about demand and peak shaving.

XVIII. Adjourn

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

Meeting adjourned at 2:11 p.m.

---

Rita Sanders, Assistant Secretary

---

Brian Woods, President