

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

Regular Meeting

May 21, 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, May 21, 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	arrived during Staff Reports
Carolyn Sandeen-Hall	present
Janie VanWinkle	arrived following approval of the April 16 Minute Record
Brian Woods	present

Others present: Tom Walch, CEO; Derek Elder, Chief Operating 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; Destry Smith, Energy Services Supervisor; Wyatt Vidmar, Engineer; Kobi Webb, Attorney.

II. Approve Minute Record of April 16 Regular Board Meeting

MOTION: Motion by Sandeen-Hall second by Gray to approve the minutes of the April 16, 2025 regular meeting with an amendment by De Young to strike the phrase “based on the previous year’s data” from his comment in the Energy Services Staff Report; unanimously carried.

III. Approve Agenda

MOTION: Motion by Landini second by Coltrinari to approve the agenda; unanimously carried.

IV. Guests and Public Comments

Present: Tyler McDermott of the Western Colorado Alliance for Community Action.

V. Staff Reports

Member Services and Communication – Sanders reported that the communication team is working on the annual report and preparing for the annual meeting on August 7. She said the annual report is due to the printer June 6. Printing costs have increased about 25% over last year but are within budget. The theme will focus on how Grand Valley Power works to honor the commitment of its founders. In the annual report and at the annual meeting, Sanders said the cooperative will recognize Willie Wiredhand’s 75th birthday with small touches such as decorations and cupcakes for dessert. She noted that food costs for the annual meeting have gone up slightly over last year, about 3%, but are within budget. Sanders said a rehearsal will be held at 11 a.m. on the day of the annual meeting for those

who have speaking parts. She noted that director petitions are due June 6. Sanders also asked directors their thoughts on employees being given the option to wear a Hawaiian-style shirt featuring Willie Wiredhand in honor of his birthday. Directors gave the nod to pursue the shirts.

Sanders said that Grand Valley Power will participate next month in Touchstone Energy's Cooperative Advantage member satisfaction survey, which will help Grand Valley Power examine the effectiveness of its member support and communication. The survey will be sent June 2 via email to approximately 2,000 of our members with the goal of getting 200 responses. The survey will close no later than July 18 or when 200 responses are received. Questions cover multiple topics, from co-op principles and member services to the annual meeting and website usage. Responses will help identify where Member Services and Communication needs to focus its energy on making changes to our processes and communication.

Sanders thanked the board for the opportunity to attend the NRECA Connect communicators' conference with Communication Specialist Tanya Marchun. She noted that the conference included demand and power supply topics in addition to communication best practices. Sanders also provided that the communication team engaged with members at the Glade Park Wildfire Prevention Fair earlier this month. She noted that GVP provides sponsorship for two upcoming events, the Colorado Stampede Rodeo from May 23 - 25, and the Glade Park Movies Under the Stars event on June 20.

Engineering – Fees reported that the contractors will complete their work at the Highline substation this week. He said Operations will perform tests on the substation before it is re-energized and brought back online.

Operations – Barlow provided information about an outage on 14 Road. The outage was caused by a tree trimming company when a boom that was left extended contacted overhead power lines. Director Gray said she heard from a member impacted by the outage who expressed her appreciation for Grand Valley Power's efforts to restore power in a timely manner.

Barlow reported that thefts of wire have occurred at a neighboring cooperative. He said GVP has not experienced wire theft of late; however, crews recently discovered that a section of underground wire had been cut at a road crossing in a subdivision before it was backfilled. The cooperative is classifying the incident as vandalism. Barlow asked directors that if they ever "see something, to please say something."

Energy Services – Elder shared the 2024 Renewable Energy Standard Compliance Report, noting that 60.1% of Grand Valley Power's energy portfolio is sourced from renewables, surpassing GVP's Clean Energy Target set in 2019 of reaching 60% by 2030. He noted that state statute requires GVP to be at 10% renewable energy.

Walch said GVP's renewable percentage is one of the highest marks in Colorado and across the country and anticipates that renewables will comprise 80% of Grand Valley Power's portfolio when Guzman Energy becomes our power supplier in 2028. Discussion ensued about Grand Valley Power's energy portfolio and the portion of it that comes from local distributed generation production.

Smith reported that distributed generation installations are down from last year. He said Grand Valley Power has had 55 distributed generation installations so far in 2025 compared to 87 at this time last year. Smith said several factors could be contributing to the decline year-over-year including the market could be saturated, electricity rates have been stable, and even weather could affect the number of installations.

Elder shared a graph showing historical data for megawatt-hours sold, the total production of local solar energy, and the total number of customers each year since 2013. He shared the data comes from the PUC report and GVP's annual Form 7. Over the last four years, megawatt-hour sales have decreased while the number of customers (meters) has steadily grown. Distributed generation (local solar energy) production nearly doubled over the last two years while kilowatt-hour sales decreased

during the same period. He said while the graph shows a direct correlation between DG and decreased sales, he also noted that other factors could be contributing, and these numbers are some of the many factors that rate consultants use to evaluate rates.

Information Technology – Kansgen reported that Grand Valley Power completed its penetration test and will receive the report in a few weeks. He said the secondary Internet connection through StarLink is installed and will allow for failover during interruptions in service from the primary provider. Walch said Grand Valley Power relies heavily on its Internet connection, including for its Internet-based telephone service, and having a backup provider will prevent disruptions in service.

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

Human Resources – Wheeler reported that Matt Mason accepted the line patrolman position, replacing Scott Bradley who retired on March 28. She said Grand Valley Power's new Safety and Compliance Coordinator will start June 1 and continue to be a shared-services position with White River Electric Association. Wheeler said a lineworker position will be advertised internally to fill Mason's vacancy. Interviews wrapped up this week for the Member Support Representative position that has been vacant these past few months. Once filled, GVP will have 46 employees.

Walch updated the board on the Budget and Work Plan, including how recent changes in staffing are impacting the budget. He said over the last several years Grand Valley Power had contracted with White River Electric Association (WREA) to provide a safety and compliance coordinator, but the WREA employee providing those services has retired, and WREA isn't replacing that position. He said that instead, GVP will hire for the position and contract about 25% of its time to WREA. The coordinator will need a vehicle to effectively perform his duties and responsibilities. Walch said the cost for 2025 will be the same as 2024 because the position has been vacant for two months. Additionally, budget impacts are mitigated because Grand Valley Power is experiencing savings through its recently signed Power Purchase Agreement with Redlands Water and Power.

Walch said Michalewicz has been working with Western Slope Auto, a GVP member, to get the best deals on automobiles. He said Grand Valley Power is considering trading in the Ford Mustang EV for a hybrid crossover vehicle. A hybrid vehicle would be more useful in providing space for multiple passengers, eliminating range anxiety, and avoiding the need to stop and charge on the way to Denver. Directors agreed GVP should explore replacing the EV with a hybrid vehicle.

Walch reported that Grand Valley Power received more than \$100,000 from Public Service Company of Colorado (PSCo) for profit sharing. He said the check would be deposited into the cooperative's surplus account. He noted that the 2025 budget includes using \$600,000 of surplus to reduce power costs. Grand Valley Power anticipates lower sales and higher power costs in April due to cold weather, which caused high demand, early in the month, followed by mild weather later in the month.

De Young asked about deferred revenue and if the amount in the account should be limited as it is required to be returned to the members in a timely way. Walch said Michalewicz follows industry best practices and confers with auditors about what the size limit on the account should be and when it's returned to members. Walch noted that it has been 12 months since Grand Valley Power has had to apply a power cost adjustment charge to consumers' bills. Walch also noted that the funds in the account that have been collected from members have been returned to members.

VI. CEO Report

Grant Update – Walch reported that Grand Valley Power executed an agreement with the Department of Energy and NRECA for the WARN grant. He said the cooperative received from the U.S. Forest Service a letter of conditional acceptance of its application to do the WARN grant work. He said that to get final acceptance, GVP must get approval from CenturyTel to move a line that is attached to the existing power poles. This is problematic because CenturyTel has not responded to numerous attempts to contact it over the past few

months. Walch also reported that GVP has executed an agreement with the Colorado Energy Office for the Aspen Park grant. He said the Aspen Park work is expected to be completed late this summer, and work on the WARN project may begin later this year, pending USFS approval. Walch said that Grand Valley Power is still cautiously optimistic that the New ERA funding it was awarded by the U.S. Department of Agriculture and RUS will be approved. He noted that GVP updated its application to explain how the project meets the goals of the President's executive order, "Unleashing American Energy." The ongoing review process will take time, as the agencies charged with the review are short-handed due to reductions in staffing.

Upcoming Board Calendar – Walch asked the board to consider whether it wants to have a rate workshop alongside staff in July. Grand Valley Power's Cost of Service Study consultant, PSE, will be in Colorado in mid-July and could conduct the workshop in person. Walch anticipates the consultant will report on revenue requirements and rate design trends and give a broad overview of design options. He said participants could share their ideas with the consultant for feedback. The board discussed schedule options for the rate workshop and determined that the afternoon of the July board meeting would be the best time for most directors.

Legislative Report – Walch reported that CREA members are pleased with the work and organization by new Director of Government Relations, Taylor Ward, to advocate on behalf of cooperatives with the state legislature and keep cooperatives informed of the status of legislation. Walch said going forward, the very real threats to cooperatives are the load requirements of data centers and the acceleration of Colorado's clean energy plan. The threat from data centers, he said, is a result of tech companies' race for AI. Walch said bills on these issues could have adverse implications for co-ops if legislators do not protect co-ops' rights to prioritize consumers and maintain their territorial integrity. He said CREA will continue to work and monitor draft legislation through the summer for issues that will likely be taken up next year.

Walch noted that he and President Woods will be out of town during the June board meeting, and that Elder and Vice President Mease would run the meeting.

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

VII. Consent Agenda

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

VIII. Approve Annual Meeting Agenda

Walch said former GVP attorney Jeff Hurd recommended that the board approve the annual meeting agenda. Walch presented the proposed annual meeting agenda in accordance with Grand Valley Power's bylaws.

MOTION: Motion by Mease second by Landini to approve the 2025 annual meeting agenda; unanimously carried.

IX. Approve Allocation of 2024 Margins to Member Capital

Walch reported on the allocation of margins to member capital, including allocations from affiliated associations to Grand Valley Power. He said that amount is reflected in the audited financial statements. Walch indicated that a minor adjustment to these financial statements will be made during the 2025 fiscal year to include allocations from affiliated associations after the audit was completed. After conferring with the auditor, it was confirmed that the allocation should match the amount in the audited 2024 financial statements.

MOTION: Motion by De Young second by Sandeen-Hall to authorize the allocation of \$2,573,121 of margins to member capital for 2024; unanimously carried.

X. Member and Community Relations Committee Report on Contribution Request from Clifton Lions Club

Director Sandeen-Hall reported that the Member and Community Relations Committee met to consider a contribution request from the Clifton Lion's Club in honor of Pat Kanda, GVP retiree and former Finance and Accounting Manager, who was extremely active in the Clifton Lion's Club. 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. After discussing Kanda's passions and what he was actively involved in, the committee recommends spreading a \$10,000 contribution across the organizations and initiatives that Kanda dedicated himself to, including: \$5,000 to the Lions Club for their Colorado Camp Abilities fundraising effort, \$2,500 to HopeWest, and \$2,500 to the Central High School tutoring program. The committee wants to honor Pat in that way and support the activities he was passionate about.

MOTION: Motion by De Young second by Mease to accept the Member and Community Relations Committee's recommendation to contribute \$10,000 in honor of Pat Kanda, GVP retiree and former Finance and Accounting Manager, from Grand Valley Power's unclaimed patronage capital to: \$5,000 to the Clifton Lion's Club in support of the club's fundraising efforts for Camp Abilities Colorado, \$2,500 to HopeWest, and \$2,500 to the Central High School tutoring program; unanimously carried.

Walch noted that Pat Kanda's services will be held on Saturday, May 31 at 2 p.m. at the Moose Lodge in Grand Junction.

XI. Attorney's Report

Webb reported that CREA's legal seminar was earlier this month and covered key topics: antitrust laws; PUC dockets, including that Xcel's wildfire mitigation plan is approaching approval; and Xcel and Black Hills rate hikes among others. She noted that Xcel's TOU rates were approved with peak to occur 5-9 p.m. on non-holiday weekdays. Webb said she will attend the Election Supervisory Committee meeting virtually on June 10.

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

MOTION: Motion by Mease second by Gray 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 11:16 a.m.

Regular session reconvened at 12:36 p.m.

XIII. Review Compliance with Net-Metering Interconnections Tariff Requirements for Payment for Excess Accrued Kilowatt-Hour Production

Director De Young said he would like it in the minutes that as he reads the section in the net-metering tariff, it says "estimated avoided cost." He said that implies and clearly states that an estimate will be done every year. De Young said that while Walch has said the cost has been used for three years, that isn't true. De Young said this will be the fourth year that the avoided cost has been used. He said it was revised in 2021 and first used in 2022. De Young said he maintains that no estimate has been done and asked the board to decide if an estimate has been done and whether Grand Valley Power is in compliance with the policy.

Director Mease referenced Colorado Revised Statute 40, Utilities net-metering rules, Annual excess generation. Within sixty days after the end of each annual period, or within sixty days after the customer-generator terminates its retail service, the cooperative electric association shall account for any excess energy generation, expressed in kilowatt-hours, accrued by the customer-generator and shall credit such excess generation to the customer-generator in a manner deemed appropriate by the electrical co-op. Mease said that if GVP ties its avoided cost once every four or five years to the Cost-of-Service Study, the cooperative is very much in compliance with the state statute.

Gary reiterated his position that the cooperative has stated that an estimate of avoided cost is what the

settlement is based on and that estimate has not occurred.

Director Mease said it was estimated during the last Cost-of-Service study.

President Woods said that De Young stated his position and Grand Valley Power received a legal opinion that it is in compliance. He asked if there is any further discussion.

Tom said this is a tariff that was approved by the Board of Directors, adopting the general approach that we want to ease the administrative burden, and that has been Grand Valley Power's approach ever since it has had this method for excess net-metering generation reconciliation. Walch said that the tariff does not say that GVP is required to provide a new estimate every year. Walch said there is nothing wrong with an estimated average being the average of three or four years, because the banked kilowatt-hours being purchased from consumers could have been generated over three or four years. He said that if the board wants to change the tariff, it will have an opportunity to do that this coming year. Walch said the tariff is designed to support distributed generation customers and reduce the administrative burden that the co-op has in settling excess generation.

Director Sandeen-Hall confirmed that the cooperative determines the settlement in April of each year to include the March billing. She said the cooperative determines the settlement in April because if it was done in December and banks were reset, distributed generation members would be at a disadvantage during the short days of winter with fewer banked kilowatt hours to use.

Director De Young said that Walch goes to administrative burden when it is something that he doesn't like and doesn't want to change. De Young said the estimate does not need to be complicated and could be something as simple as the percentage of the average of the wholesale price over the last three years. De Young also asked how an estimate can be a predictor of the future and be valid in the future.

Walch said if there had been a material change in power costs then Grand Valley Power would have done a new estimate, but there has not been a material change. Walch said power costs have been relatively flat and to the extent that there has been a change it would have reduced the amount that distributed generation customers received for payment.

President Woods said that during the rate study would be a good time to bring up questions and asked if there is any other discussion.

MOTION: Motion by De Young to get a clear vote and affirm that GVP is in compliance with the policy.

Webb said that if the board is not taking any action, then it does not need to make a motion; however, directors can make a statement.

Directors discussed the policy on excess generation. Several expressed that based on legal advice received, GVP is in compliance with policy and no steps are necessary.

De Young withdrew his motion.

MOTION: Motion by De Young that GVP is out of compliance with the estimation requirement in the policy. Motion died for lack of a second.

President Woods said it's the consensus of the board that it received legal counsel today regarding the compliance issue and most of the board agrees that GVP is in compliance.

Director De Young said he would like to table the topic.

Walch said that a director has stated that management is violating the cooperative's tariff. If the board believes this is true, it should be addressed. Otherwise, he would request confirmation from the board that the practice employed complies with the tariff in question.

MOTION: Motion by Coltrinari second by Gray to formally recognize, after review by the full board and the receipt of legal advice from the cooperative's counsel, that because the annual payment for excess distributed generation can apply to generation from more than just the current year, the method currently used, applying a general, estimated average cost of power from the wholesale provider, complies with GVP's tariff; carried 8-1 with De Young opposed.

XIV. Director Reports on Conference and Training Activities

Walch reported on the legislative conference in Washington, D.C. He said the group effectively advocated for rural electric cooperatives on topics, including New ERA grant funding. Of the nine Congressional delegates in the room, only two were senior staff members and the rest were the representatives and senators from Colorado. Walch noted that Jeff Hurd of CD-03 has established himself as a leader on Capitol Hill. Hurd took extra time to meet with constituents from Colorado's third congressional district, including an after-hours tour of the capital for Walch and Woods.

President Woods said he took the opportunity to see people in action and came away recognizing that more bipartisan work is happening than people are being led to believe.

Director VanWinkle shared that Hurd took the group representing the Colorado Cattlemen's Association on an after-hours tour. She said he is bipartisan in ways that we are not always aware.

President Woods said he attended an AI class for electric cooperatives, and that it was eye opening for him. He said AI's impact on the electric industry is significant. The discussion revolved around risks, how it can improve reliability, and the importance of data quality, cyber security, and policy.

XV. Colorado Rural Electric Association Director's Report

President Woods reported that CREA is in negotiations for a property on which to locate its headquarters. The property has a pending contract that ends May 27. The asking price of \$2.5 million is in line with what CREA can pay. The cost to individual co-ops would be about \$2,500 per year over the 30-year life of the loan.

President Woods noted that CREA's executive search is continuing, and the association will review the dues formula later this year.

XVI. Western United Electric Supply Director's Report

Director Mease reported that inventory lead times have gone down. He noted WUE has \$122 million of inventory backlog, most of which is transformers and substation equipment that has been on the list for a long time. He noted that sales were \$251 million in the first quarter, and WUE is still exploring the possibility of expanding into Arizona and New Mexico.

XVII. Continuing Business

Director De Young shared a proposal of tariff options that he developed. De Young said he would like to get feedback on the options from Grand Valley Power's rate consultant.

Directors discussed De Young's proposal. President Woods suggested the proposal might go too deep for the initial rate workshop. Walch said Grand Valley Power has contracted with industry experts who have spent years studying rates and trends, and he would like to hear from them whether Grand Valley Power is experiencing a cost shift.

Director Mease said that the cost of delivering power through Grand Valley Power's system is socialized so that members are not penalized for living a greater distance from the source of power than those who live closer.

Director De Young said consumers should pay the same amount for their power no matter which rate comes forward. He said the primary cost is not related to the cost of power but to the cost of delivery, and how the board socializes that is its choice.

President Woods asked if there is further discussion or questions.

Director Coltrinari said the first bullets of De Young's proposal hit on the board's responsibility, and that Grand Valley Power hired a consultant to consider the philosophy and draft a proposed methodology for determining rates. He said the proposal is outside their responsibility as board members. Coltrinari said the consultant will build scenarios and the board can make sure those meet its philosophy.

Director De Young said that's what he is trying to do for the consultants so that the board has options for them to choose from.

Walch said the purpose of the rate workshop is for directors and leading staff members to hear what the consultants have to say and have an opportunity to make suggestions and look for ways to accomplish the board's rate objectives.

Director De Young said he would bring his ideas forward at the workshop.

Director Mease asked that ideas be brought forward with consideration for all members, not just distributed generation members.

XVIII. New Business

None.

XIX. Adjourn

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

Meeting adjourned at 1:50 p.m.

Rita Sanders, Assistant Secretary

Brian Woods, President