

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

## Regular Meeting

August 20, 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, August 20, 2025 at 845 22 Road, Grand Junction, Colorado. President Brian Woods called the meeting to order at 9:03 a.m. Attendees recited The Pledge of Allegiance.

#### ROLL CALL:

Joe Burtard	present
Kyle Coltrinari	present
Gary De Young	present
Andrew Golike	present
Lindsay Gray	present
Joe Landini	present
Jesse Mease	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; Preston Dillingham, Foreman; Destry Smith, Lineworker; Kobi Webb, Attorney.

President Woods welcomed new board member Andrew Golike and re-elected incumbents Gary De Young and Kyle Coltrinari.

### II. Approve Minute Record of July 16 Regular Board Meeting

**MOTION:** Motion by Mease second by Coltrinari to approve the minutes of the July 16, 2025 regular meeting; unanimously carried.

### III. Approve Agenda

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

Director De Young asked if order of the agenda encourages member participation, suggesting that continuing business and new business items be addressed at the start of the board meeting. Walch said this is a valid concern, but he has participated in many board meetings over the years for many different organizations and has never seen an agenda where continuing and new business are addressed at the beginning of the meeting. Walch pointed out that members have an opportunity to address the board at the beginning of every board meeting, on any topic desired, subject to the guidelines adopted by the board. The Board Meeting page on Grand Valley Power's website requests that members let the cooperative know in advance of their attendance.

### IV. Guests and Public Comments

Walch said that Ben Bratrud of PSE, Grand Valley Power's cost of service study consultant, will be present during executive session for discussion regarding GVP's rates.

## V. Staff Reports

Wildfires – Walch introduced Preston Dillingham and Destry Smith, who traveled with a crew (Branson Padgett, Zeb Birch, and Caleb Monger) to help White River Electric Association restore infrastructure destroyed by the Elk Fire near Meeker. Dillingham thanked the board for the opportunity to assist White River. Dillingham said the crew benefited from team building and seeing how other cooperatives work. Smith said the crew helped restore operations in territory burned by the Elk Fire. He said the area burned by the larger Lee Fire was closed. White River has seven lineworkers, and it was great to help them and work with other cooperatives from the western slope.

Walch said the work is a great example of the cooperative principle: Cooperation Among Cooperatives. This was Grand Valley Power's first experience helping to this extent with a mutual aid project. Walch said transmission lines also were destroyed by the fire, and it will likely take at least one year to rebuild them. FEMA funds are expected to provide some relief.

Grand Valley Power's Safety Coordinator, Jesse Peeler, who is shared with White River, also assisted with the restoration. Peeler supported the operation by delivering materials, patrolling lines, and serving in his safety role. Peeler said crews worked safely and were on their "A" game. Peeler added that applying for FEMA funds is an intensive process that requires a great deal of documentation, but the federal agency funds 75% of emergency restoration expenses up to a threshold.

Operations - Barlow provided an update on the Mesa County fires. The Turner Gulch Fire has burned more than 31,600 acres and is at 79% containment. Barlow said the cooperative lost two poles that have already been replaced. Grand Valley Power also borrowed a generator from White River in case it would be needed by the local fire department. The generator has since been returned to our neighboring cooperative.

Elder reported that Grand Valley Power and Guzman purchased five animals at the Mesa County Fair Junior Livestock Auction.

Elder reported that the cooperative needs to purchase a new underground tugger called a duck dog. He said the current tugger is more than 30 years old and crews are unable to use it for some jobs because of its limited capacity. Elder said the cooperative can purchase a used tugger for \$115,000, nearly half of what a new one costs, and get credits for prior rental of that piece of equipment. Elder said the co-op has rented this tugger, it has very few hours on it, and it can do the work required. Most importantly, Elder pointed out, the tugger has additional safety features that the old one does not have.

In response to director questions, Walch said the unit is not in the current budget. The cooperative needs board approval to purchase it. Walch said the equipment was in prior year budgets but was never purchased. Directors discussed maintenance costs of a new piece of equipment and the old tugger.

**MOTION:** Motion by Burtard second by Gray to authorize the purchase of a used Tugger not in the capital plan; unanimously carried.

Member Services and Communication – Sanders reported that 253 registered members attended the annual meeting. When all guests and employees are included, there were more than 500 in attendance. She said that employees have received positive feedback about the meeting and talked earlier in the week about making minor adjustments to improve it. Directors asked if the FFA students could wear cooler clothing and suggested that if there is a way to make registration faster, that would be appreciated.

Sanders provided an update on the Shared Savings program. She said that of the 230 members who

have signed up so far, 80 are new to paperless billing and 145 are new to automatic bank payments (EFT).

Sanders also invited directors to help judge the coloring contest during the week of September 2.

Engineering – Fees reported that Grand Valley Power received the replacement bushings for the Highline substation transformer and continues efforts to design and install a lead wire for the apparatus.

Walch said Fees provided support on a project to help a member—who had opposed granting an easement to GVP—understand why the cooperative needed to bore across property within their fence line that was also within City of Grand Junction road right-of-way. Fees' effort helped avoid conflict that could have resulted in litigation.

Fees reviewed the RUS Form 300 used for compliance. He noted that the cooperative will begin conducting thermal infrared inspections and will get a baseline for reporting.

Fees said Grand Valley Power has been notifying members who are not paying the monthly Grid Connectivity charge for idle meters that power lines will be removed. These procedures help support fire mitigation efforts. Fees also said the cooperative will revamp the Emergency Action Plan to include an Emergency Restoration Plan.

Director De Young asked why the Form 300 had not been sent out to board members in advance of the meeting. Walch indicated that this was an oversight on his part. De Young also asked about the data on total system coincident peak with generation. Fees said he needs the data with and without generation to calculate Grand Valley Power's peak.

**MOTION:** Motion by Coltrinari second by VanWinkle to approve the RUS Form 300 as presented; motion passed 7-1 with De Young opposing because, he said, the document was not sent ahead of the meeting in the board packet.

Finance – Michalewicz reported on grants. He said Grand Valley Power filed for an extension into 2026 for the Aspen Park Grant at Vega Lakes and is waiting for its approval by the governor. Michalewicz said cooperatives are concerned about WARN grant project requirements to buy American materials because they are not available. This impacts GVP's Mesa Lakes WARN Grant award. The co-op is exploring alternatives to meet compliance issues associated with the \$1.9 million matching grant. He noted that project costs have increased but that grant funding will not. The New ERA grant has passed financial and engineering checks.

Michalewicz provided a summary of the monthly financials and reported on the disconnects and write-offs. He noted that power costs were higher during the month of June because kilowatt hour sales in were down, and demand spiked with the hot weather that occurred at the end of the month. Michalewicz said the co-op has a phenomenally low line loss rate of 4.31%. Collections year to date are historically high because a member left the cooperative with \$35,000 of debt.

Walch reported that on the July CAMU rate comparison, Grand Valley Power's cost for 700 kWh at \$116 is about average for Colorado cooperatives. He noted that Xcel's rate is higher at \$121 for 700 kWh.

Human Resources – Wheeler reported that Grand Valley Power has hired Cody Winsor as a lineworker. He moved to Grand Junction from Oklahoma where he worked for a municipal utility.

Walch presented President Woods with the Director Gold Credential certificate.

## VI. CEO Report

Walch dismissed all staff except the assistant secretary, who takes the meeting minutes. Walch shared with the board that he has allowed senior staff members to participate in board meetings because of the high level of trust that he was able to develop with them. This responsibility also comes with a high level of trust that these staff members would honor an appropriate relationship between directors and staff members. Walch said it will be important for his successor that the board allow the CEO to develop an appropriate relationship with them and to recognize and respect appropriate boundaries between directors and staff members. Walch explained that inappropriate relationships can lead to a toxic culture in the cooperative, and he recommends always maintaining professional relationships between staff and directors.

Director Golike said he has served several boards, and that the line is clear on most boards. He asked if the board has a Code of Conduct. Walch encouraged the board to look at policies that ensure cooperative business is conducted professionally. He said it is important that his successor has the opportunity to earn the board's trust. President Woods said the board's executive team has discussed a Code of Conduct and will talk more about it in executive session.

Bargaining Agreement Update – Walch reported that Grand Valley Power's bargaining units had ratified their respective bargaining agreements, and the cooperative is waiting for those to be executed by union representatives. He said the board will hear from compensation consultant Dan Bruning before it discusses exempt staff compensation.

Legislative Update – Walch highlighted the progress that cooperatives are making on a potential wildfire mitigation bill. He credited Taylor Ward, head of legislative affairs for CREA, and noted challenges that will come with the bill. Director Mease asked what other states have wildfire legislation. Walch said Utah, Wyoming, and Montana have bills. Directors inquired about whether the wildfire mitigation legislation would impact the Mesa Lakes project. Walch said it would not.

Ahead of the discussion with Grand Valley Power's cost-of-service study consultant, Walch said he emailed Director De Young's proposed rate structures and responses from PSE, the cost-of-service study consultant, and offered the opportunity to discuss it. President Woods said hearing no discussion that the board would take no action on De Young's rate proposal and will continue discussions.

Walch said the board needs to address the issue of timing of the rate restructure. He said that we can make the new rates effective November 1 as is the current plan, but staff must have a board decision by the September board meeting to meet notification requirements. He said that Grand Valley Power must have a rate increase, unfortunately, to generate the revenue required to run the business. Walch said November 1 makes sense. He doesn't want to increase rates around the holidays in December. He asked directors to think about timing as they listen to rate proposals from the cost-of-service study consultant. Directors discussed timing and the potential need for additional board meetings.

Walch said rates are a responsibility of the Board of Directors, and that directors must be able to discuss them with members and defend the rates. Walch offered that the consultant is bringing forth multiple rate options all focused on restructuring rates for the General Service Time of Use rate class. Walch said the biggest challenge facing Grand Valley Power is that kWh sales are decreasing even though the number of consumers on its system – and costs – are growing. This issue impacts only the GS-TOU residential rate class. Walch noted his priority is addressing this issue.

The consultant has recommended, to get the revenue the cooperative needs from 2026 to 2028, an 8% increase on the residential class. Walch said that the trend among cooperatives is, instead of making big increases followed by years of no action, to have smaller increases more often that keep pace with increasing costs. Walch suggests the board consider a 4% increase now and then look at financials again next year. Walch said that if the board decides to introduce a demand charge, it will be challenging for consumers. Walch offered that part of the reason for the Shared Savings program is to provide some relief to members who need it when member support representatives talk with them about the rate increase.

Walch said the options will be presented in executive session, but his recommendation is to make them effective November 1, focus this round on the GS-TOU class, and consider an incremental approach to increasing rates. He said this will be a potentially complex rate change to communicate to members.

Director Golike inquired about the history of rate increases at Grand Valley Power. Walch said that in recent history the cooperative has restructured rates to align revenue recovery with costs. In 2022, Grand Valley Power introduced time of use rates, and in 2023 the cooperative passed through a kWh charge increase from our power supplier. Prior to that Grand Valley Power hadn't implemented a rate increase since 2014, a period of eight years without one. Walch said the cooperative needed to raise rates when COVID hit but that the board decided not to do so at that time. Directors discussed current rates.

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

Director Coltrinari asked if staff will be back at future CEO reports; Walch said it's likely because attending meetings is an important development opportunity for senior staff members.

#### VII. Consent Agenda

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

#### VIII. Discuss 2025-2026 Board Calendar

Walch reviewed the 2025 Board Calendar. He noted that the November 2025 board meeting was moved to November 12. He said two director training opportunities are not on the calendar: the Winter School December 12-16 in Nashville and the CREA Energy Innovation Summit November 1-4 at the new CREA office in Lakewood.

Directors Coltrinari and Gray expressed interest in attending the Winter School.

**MOTION:** Motion by Mease second by Burtard to approve Coltrinari and Gray's attendance at the Winter School; unanimously carried.

Walch noted that the CEO closeup, January 11-13, and the Power Exchange in March do not interfere with board meetings.

Walch also called attention to Grand Valley Power's CEO search dates. He said on September 17 the Board will select candidates for board screening interviews. Screening interviews will be held October 6 and 7 followed by in-person interviews November 5-7 in downtown Grand Junction. He said the deadline to apply is August 21.

Walch also noted the GVP Christmas party on December 5.

#### IX. Election of Officers

Webb conducted the election of officers for the Grand Valley Power Board of Directors. Officer terms begin with the September 2025 meeting and end at the adjournment of the August 2026 meeting following the Annual Meeting. The board elects president, vice-president, secretary, and treasurer positions. GVP bylaws provide that the same person may hold the offices of secretary and treasurer, and this has historically been the practice at GVP.

Webb asked for nominations for the office of President. Director Gray nominated Woods, Director VanWinkle seconded.

**MOTION:** Motion by Landini second by Gray to retain all executive officers by acclamation; unanimously carried.

X. Appoint Delegates to Affiliated Organizations

Presidents Woods asked for nominations for delegates to affiliate organizations.

Woods said he is the presiding CREA Board delegate and would like to continue in that role. Woods was re-appointed as GVP's CREA Board delegate.

**MOTION:** Motion by Burtard second by Gray to keep Woods as the primary CREA delegate; unanimously carried.

Director De Young is the current alternative delegate for CREA. Woods said that Director Gray has expressed interest in serving as alternate. Director Burtard nominated Director Gray to serve as the alternate and De Young nominated himself to serve as the alternative. Directors voted (7-1) to appoint Gray as the alternate delegate to CREA.

President Woods said that Director Mease is the current delegate to the Western United Electric Supply (WUE) Board. Director Coltrinari nominated Mease to continue as the WUE Board delegate. He was re-appointed. Woods said Coltrinari is the alternate delegate. Burtard nominated Coltrinari, who was re-appointed.

XI. Executive Session – Rate Discussion, Personnel Matters, Power Supply, Privileged Legal Report

**MOTION:** Motion by Coltrinari second by Mease to convene an executive session for the purpose of discussing rates and personnel matters, for receiving a privileged power supply update and for receiving a privileged legal report; unanimously carried.

Executive session convened at 12:00 p.m.

Regular session reconvened at 3:18 p.m.

XII. Authorize Transmission Study

**MOTION:** Motion by De Young second by Mease to authorize the expenditure of up to \$100,000 for a transmission study; unanimously carried.

XIII. Attorney's Report

Webb reported that the director election was held on August 8, and the results are posted on Grand Valley Power's website. She said that on August 7 a candidate submitted a formal complaint that was presented to the Election Supervisory Committee. The complaint alleged potential disclosure violations were committed by three of the four director candidates. Committee members reviewed the complaint materials separately and met early on August 8 to deliberate; the committee determined that there was not sufficient evidence to find that any candidate committed a disclosure violation under the cooperative's election policies. The complainant was notified of the determination and ballot tabulation proceeded. Webb noted the complaint was not made public because no violations were found, and the complainant was reelected as a director.

XIV. Director Reports on Conference and Training Activities

None.

XV. Colorado Rural Electric Association Director's Report

President Woods noted that CREA moved into its new building in Lakewood. He discussed options for co-op contributions. He also reported that the organization will soon conduct interviews for its CEO search.

XVI. Western United Electric Supply Director's Report

Vice President Mease reported that Western United passed its audit and financials and sales look great. He said the backlog continues to decrease.

XVII. Continuing Business

None.

XVIII. New Business

Director De Young proposed that board members consider ways to get further engagement from members. Director Coltrinari asked how the board would define engagement. De Young suggested campaigning as one way. President Woods said the cooperative has held workshops in the past, but that attendance was poor. Walch said Grand Valley Power anticipates having a town hall to discuss rates with members.

**MOTION:** Motion by De Young second by Mease to direct staff to evaluate options for increasing member engagement; unanimously carried.

Director Coltrinari said the co-op has given members the proper platform and questioned whether it lends to engagement or participation. Walch noted that in his experience most consumers do not prioritize engagement as much as they do reliability and satisfactory rates. He said the co-op puts a great deal of effort into the annual meeting because it places significant value on member engagement. Walch said Grand Valley Power's website, the Shared Savings program, member surveys, and other programs and communications are all evidence that staff put a lot of effort into engagement. He noted that if directors are looking for new ways to engage members, the Co-op Advantage survey results will be a great starting point for deciding what to do for further member engagement. Director Golike said he talked with many members during the election campaign. He said people recognize that they do have some responsibility, but they are busy. Golike suggested encouraging engagement from a different perspective and explaining why it is important that members be involved. Director Coltrinari said the co-op has an award-winning communications department, and we give members the opportunity to engage at many levels, so it is on them to participate. He suggested looking at what opportunities are already available to members and using that to define success. Walch said he supports the motion as it will not add to the staff's existing work.

XIX. Adjourn

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

Meeting adjourned at 3:42 p.m.

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Rita Sanders, Assistant Secretary

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Brian Woods, President