

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

Regular Meeting

September 17, 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, September 17, 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
Andrew Golike	arrived during executive session
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; Jesse Peeler, Safety and Compliance Coordinator; Kobi Webb, Attorney.

II. Approve Minute Record of August 20 Regular Board Meeting

MOTION: Motion by Gray second by Burtard to approve the minutes of the August 20, 2025, regular meeting; unanimously carried.

III. Approve Agenda

Walch requested that the board approve the agenda with a revision to the rate change implementation: Approve Resolution 25-02, Authorization to Approve Revised Tariff.

MOTION: Motion by De Young to move the discussion of rates for greater transparency. De Young said directors cannot communicate outside of executive session about rates if the discussion is conducted in executive session. Walch deferred to counsel. Webb said that it is appropriate under Colorado law to discuss sensitive information during executive session, and that some of the rate discussion should happen in executive session. De Young said he would like the rate discussion to occur before executive session because members who are present leave during executive session and do not return. Webb said meeting attendees are welcome to return after executive session. She said executive session should be first because otherwise it would be inefficient to step in and out of executive session. De Young said he understands that is what is practical but would rather have the public discussion before executive session. Motion died for lack of a second.

De Young stated that for transparency purposes, a summary of conclusions reached by the board should be recited for the record when regular session is reconvened following executive session.

Walch said directors received the agenda 10 days before the meeting. He asked directors to raise questions

about the agenda before the board meeting so the board chair and management can work to resolve issues ahead of time. Director Gray agreed, saying that the request for advance notice about concerns has been brought up multiple times. Webb said advance notice allows more time to develop solutions.

MOTION: Motion by Burtard second by Coltrinari to approve the agenda with a revision to the rate change item to: “Approve Resolution 25-02, Authorization to Approve Revised Tariff”; unanimously carried.

IV. Guests and Public Comments

Walch introduced member Lee Cassin, who said she is attending the meeting because she’d like to be a more informed member.

Member Randy Spydell, a retired information technology officer from Colorado Western University, requested that the board consider using stronger passphrase security for SmartHub logins, instead of relying on email addresses. Walch said SmartHub is managed by NISC, a nationwide data processing vendor, and that Grand Valley Power would request that entity provide a more secure login option.

Also Present: Tyler McDermott of Western Colorado Alliance.

Walch said Rate Consultant Ben Bratrud, Compensation Consultant Dan Bruning, and Executive Search Consultants Matt Gilley and Monica Beavers and Karen Moore will participate virtually during executive session.

V. Staff Reports

Communication – Sanders highlighted communication projects from the Board Report, including that the cooperative received 64 entries from members of all ages for its first coloring contest. She said the Shared Savings program is seeing continuous enrollment from members and measured communication will continue so as not to overwhelm the member support representatives who answer questions and assist with signups. Sanders also shared that Touchstone Energy will recognize Grand Valley Power on LinkedIn for its exceptional ACSI score (85) among electric cooperatives.

Operations – Elder reported that a second crew traveled to the White River territory to help repair infrastructure destroyed by the Lee and Elk wildfires. The crew faced windy, dusty conditions but followed safety protocols and made many repairs to restore power to the co-op’s members. White River expressed its appreciation for the crews that assisted.

Elder reported that the cooperative received a forwarded email from a GVP director on September 11. It was dated August 12 and concerned a tree trimming complaint. He said the member did not contact the cooperative directly but reached out to a director. On September 12, a crew visited the member, who said the situation had been addressed. Walch asked that directors pass any communication that they receive from members to Grand Valley Power as soon as possible to ensure timely resolution.

Finance – Michalewicz provided an update on the New Era Grant. He said the cooperative received word that the Power Purchase Agreement that serves as the basis for the grant award has passed USDA engineering approval; the next step is further environmental review.

Michalewicz provided a summary of the monthly financials and reported on the disconnects and write-offs. In response to a director question, Michalewicz said Grand Valley Power has adequate financing in place to support upcoming grant projects.

Tom reported that Eric Anderson, regional vice president with CFC, will attend the October board meeting to provide a summary of key points of GVP’s 2024 Key Ratio Trend Analysis (KRTA) Report. He will also be available either the day before or the day after the board meeting to provide cooperative

finance training for the board and staff members.

Michalewicz shared the Colorado Association of Municipal Utilities (CAMU) residential rate report from July 2025. The report shows Grand Valley Power's rates are near the midpoint among Colorado co-ops for rates. Michalewicz said he is aware of six co-ops and municipalities that are expected to increase rates. He noted that Xcel Energy's residential rates for 700kWh (\$121.72) are higher than Grand Valley Power's (\$116.09).

Walch said that for Grand Valley Power to be in the middle means that our members are getting a great value. He said other Colorado cooperatives have substantially more commercial and industrial consumers that typically come with more risk but provide a bigger proportion of revenue compared to residential consumers. He added that Xcel Energy has more customers per mile of line, giving it greater economies of scale to draw from than Grand Valley Power. Walch said the primary inference you can draw from the report is that GVP is effectively controlling costs.

VI. CEO Report

Legislative Update – Walch noted that the CREA Legislative Report is a good summary of Colorado legislation impacting cooperatives. Wildfire mitigation is an important issue, and even though the interim committee will not sponsor CREA's bill, it is expected to be introduced in the next session. Walch said another important issue to watch is clean energy and the governor's plan to accelerate carbon emission reduction requirements. The CREA board and other business interests are working toward a very visible and united front against what the governor is proposing. In addition, the PUC sunset bill, which is normally an automatic renewal, might face difficulty as many are disappointed that the PUC seems to approve everything Xcel proposes. Finally, Walch said data centers and transmission costs will remain big issues for the state of Colorado and will likely be the subject of further legislative initiatives the cooperatives will need to monitor.

Walch said that Elder is the CARE board member representing our district and asked directors if they have any objections to GVP making contributions to the CARE auction in support of CREA's work to advocate for electric cooperatives in the Colorado Legislature. No objections were raised.

Director De Young asked if management believes that the best explanation for the decline in kilowatt-hour sales is due to distributed generation. He asked if changing demographics within Grand Valley Power's territory could have an impact on that as well, as according to local census data, at least one area in Grand Junction has aged over the last 10 years. De Young said this comes with decreased consumption patterns as well. De Young said he would like to know more about the different components that could be causing the decline in kilowatt-hour sales.

Walch said the cooperative presented to the board a graph showing how the decline in kilowatt-hour sales closely follows the increase in distributed generation systems installed. Walch said he believes that is a significant correlation. He also noted that the key ratio trend analysis (KRTA) for Grand Valley Power shows that GVP is the only Colorado co-op to have an increase in the number of meters and a decrease in kilowatt-hour sales. He noted that GVP also is among the leaders in Colorado for the number of distributed generation systems installed per member.

De Young said it is difficult to show a correlation because other factors, such as median age of members and consumption patterns, could be at play.

Directors Coltrinari, VanWinkle and Gray asked to move on. President Woods thanked De Young for his comments.

MOTION: Motion by Landini second by Burtard to accept the CEO report; unanimously carried.

VII. Consent Agenda

MOTION: Motion by De Young second by Gray to approve the consent agenda items as presented;

unanimously carried.

VIII. Establish Date, Time, and Venue for 2026 Annual Membership Meeting

Walch said Grand Valley Power needs to establish the date, time and venue for the 2026 annual meeting so the cooperative can provide required notice to members on the website in January. He said that besides Colorado Mesa University, the only other venue that could support the attendance we have is the Convention Center. He said CMU offers better pricing, audio and visual capabilities, and food service. He said our members are familiar with CMU. The university staff also provided strong support for the meeting. Walch said the GVP leadership recommends that we continue holding the annual membership meeting on the first Thursday in August (August 6, 2026) at CMU with dinner at 5:30 p.m. and the meeting at 6:30 p.m.

MOTION: Motion by Burtard second by VanWinkle to hold the Annual Meeting of the Members at 6:30 p.m. on Thursday, August 6, 2026, at Colorado Mesa University; unanimously carried.

IX. Committee Appointments

President Woods said that prior to the meeting he asked for volunteers to serve on Board Committees. He heard from most everyone, and the Committees are:

- **Finance and Audit:** Kyle Coltrinari (chair), Jesse Mease, Janie VanWinkle, Brian Woods.
- **Compensation and Benefits:** Lindsay Gray (chair), Kyle Coltrinari, Joe Landini.
- **Policy and Governance:** Jesse Mease (chair), Joe Burtard, Andrew Golike, Brian Woods.
- **Member and Community Relations:** Joe Burtard (chair), Gary De Young, Lindsay Gray, Joe Landini.

Kyle asked what the Compensation and Benefits committee should plan to address in 2026. Walch said there is nothing in the plan for 2026, but some items will be discussed during executive session.

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

MOTION: Motion by Mease second by Gray to convene an executive session for the purpose of discussing rates, personnel matters, for receiving a privileged power supply update, and for receiving a privileged legal report; passed 6-1 with De Young opposed based on earlier discussion.

Executive session convened at 10:19 a.m.

Regular session reconvened at 2:35 p.m.

Director Golike arrived during executive session.

XI. Approve Revisions to Management/Exempt Staff Salary Structure

MOTION: Motion by Gray second by Mease to approve the management salary structure (pay grades and pay ranges) as recommended in executive session; unanimously carried.

MOTION: Motion by Landini second by Coltrinari to approve necessary adjustments for specific staff members as discussed during executive session; unanimously carried.

MOTION: Motion by Mease second by De Young to match the one-time 40-hour additional PTO benefit that was extended to bargaining unit employees for exempt employees effective under the same terms afforded to bargaining unit employees; unanimously carried.

XII. Attorney's Report

Webb reviewed the general and fiduciary duties of directors and Conflicts of Interest Policy No. 107 for

directors to ensure GVP follows relevant laws and regulations and articles of incorporation, bylaws, and policies. De Young asked what the procedure is for a director who has requested data but not received it. Walch asked that all requests go through him.

XIII. Director Reports on Conference and Training Activities

None.

XIV. Colorado Rural Electric Association Director's Report

President Woods reported that CREA approved eight new associate members, including Guzman Energy. He said the new members will contribute about \$45,000 in membership dues. Woods also said CREA moved into its new building. All but eight co-ops previously paid their full cost for the purchase of the building. The remaining eight, including GVP, will make their payments either in a lump sum or in installments, after CREA's old office building is sold. Woods noted that the CREA Energy Innovations Summit is November 3-4, and the CARE auction is scheduled for November 2 as part of the CREA meeting. Woods said the *Colorado Country Life* staff won several editorial awards in national competition this year.

XV. Western United Electric Supply Director's Report

Mease reported that he attended a recent WUE meeting in person. He said sales are up more than \$1 million over last year and the backlog has decreased to \$100 million. He said the cooperative is accepting memberships in New Mexico. Walch said WUE improved its patronage capital reporting, and Grand Valley Power anticipates it will receive a \$285,000 capital credit check.

XVI. Continuing Business

None.

XVII. New Business

Walch said former director John Gormley has asked Grand Valley Power to contribute to the Confluence Center project. The project will support nonprofits, education, the Colorado River, and rural Colorado as impacted by the river. Walch suggested inviting Gormley to speak to the board in October. He noted that Gormley reported that the project was completed on time and under budget, but the group is working to close the gap between the cost and what they raised. Director Burtard suggested the concept is good, but he would have appreciated more planning be put into the size of the building and its usefulness. He suggested that Gormley meet with the Member and Community Benefits Committee, and the board concurred.

MOTION: Motion by Golike second by VanWinkle to convene an executive session for the purpose of discussing rates; unanimously carried.

Executive session convened at 4:33 p.m.

Regular session reconvened at 4:57 p.m.

XVIII. Approve Resolution 25-02, Authorization to Approve Revised Tariff

Walch said that during executive session the board considered a proposed rate restructure and rate increase. The initial discussion identified a discrepancy in the way consumers' demand was calculated by the consultant and the way it was calculated in the proposed tariff by management. Walch said GVP staff, with input from the consultant, corrected the discrepancy and the entire board was satisfied with that correction.

Walch said the proposed rate restructure will increase revenue by 3.9% and restructure rates primarily by introducing a demand rate to the GS-TOU class, which is mostly residential consumers served by Grand Valley Power. He said the reason for the restructure is data provided by management supporting the conclusion that

Grand Valley Power must address the fact that even though the number of meters is growing, kilowatt-hour sales have steadily declined over the past several years. He said the cooperative must ensure better alignment between how costs are incurred and how they are recovered. GVP has traditionally recovered a significant portion of fixed and demand costs with a kilowatt hour charge, but this isn't sustainable because kilowatt-hour sales are declining. Grand Valley Power is taking steps to shift some fixed cost recovery into the Grid Connectivity charge with an increase of \$1.50 per month, and some distribution demand recovery into a demand charge. The board has also opted to reduce slightly the off-peak energy charge. Walch said these are the reasons that the board favored the rate change during executive session.

Walch asked for a motion approving Resolution 25-02, Authorization to Approve Revised Tariff, with the rate components that have been described and are attached to the resolution as Exhibit A.

MOTION: Motion by Coltrinari second by Gray to approve Resolution 25-02 as presented; passed 7-1 with De Young opposed. Director De Young voiced his opinion that a demand charge of \$1 will cost \$6 or more on every consumer's bill.

XIX. Adjourn

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

Meeting adjourned at 5:03 p.m.

Rita Sanders, Assistant Secretary

Brian Woods, President