

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

Regular Meeting

December 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, December 17, 2025 at 845 22 Road, Grand Junction, Colorado. President Brian Woods called the meeting to order at 9:01 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; 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 November 12 Regular Board Meeting

**MOTION:** Motion by Golike second by Landini to approve the minutes of the November 12, 2025 regular meeting; unanimously carried.

III. Approve Agenda

**MOTION:** Motion by Golike second by Mease to approve the agenda with an amendment to add a Member and Community Relations Committee report on a donation request before the Policy Committee report; unanimously carried.

IV. Guests and Public Comments

None.

V. Staff Reports

Walch presented Director Mease with his Credentialed Cooperative Director certification from the NRECA.

Operations – Elder provided an update on the Shoshone Water Rights Contribution. He said the Colorado River District has identified the Western Colorado Community Foundation (WCCF), a 501(c)3 that awards more than \$5 million annually in nonprofit grants and scholarships, as the organization that will receive Shoshone donations on behalf of the Colorado River District. Elder provided that the board voted in 2024 to donate \$100,000 (divided over two years) from unclaimed patronage capital to help purchase the Shoshone Water Rights, with the stipulation that the River District must create a

501(c)3 to receive the funds. Elder asked the board if it would be amenable to Grand Valley Power's attorney working with the River District's attorney to develop a three-party agreement that would include GVP, the River District, and WCCF. The agreement would require the funds to be held in an escrow account and be returned to Grand Valley Power if the purchase of the water rights falls through.

The board discussed the potential for an agreement and the timing of the donation. Directors asked that the topic be put on the January 2026 agenda with a resolution to consider a drafted agreement.

**MOTION:** Motion by De Young second by Burtard to authorize staff to pursue the development of a three-party agreement with the Colorado River District and the Western Colorado Community Foundation, a 501(c)3, acting as the supporting organization for the donation; unanimously carried.

Engineering – Fees said crews installed the new bushings on the older transformer in the Highline Substation. He said the transformer should feed normally beginning next week. Fees shared that he traveled with GIS Analyst Ryan Roesch and Line Patrolman Matt Mason to a wildfire consortium organized by Xcel Energy. He said the forum provided industry information and educational topics that deem continued participation in the event.

In response to a question from Director Mease, Fees said GVP will conduct a maintenance check of the mobile substation after its use at Highline during the installation of the additional transformer and maintenance of the older one over the summer. Fees said scheduled maintenance is completed on the mobile substation every year.

Elder reported on a large transmission outage at an Xcel substation that impacted 10,000 members on a Sunday evening in November. He said restoration was delayed by a report of shots fired near the substation, which necessitated a response and investigation by law enforcement before Xcel could receive clearance to resolve the problem at the substation. Additionally, once Xcel resolved the problem, a switch failed to close completely, and Xcel had to reopen and close it to restore power. Elder thanked Operations Superintendent Mark Shaffer and GVP's crews for their proactive problem solving early in the outage that facilitated the switching of 6,000 members and significantly decreased the impact of the outage. Despite our crew's quick response, Elder said the outage doubled Grand Valley Power's System Average Interruption Duration Index (SAIDI) score for the year. As a result, 2025 will likely register as one of the highest years on record for the cooperative's average duration of power outages experienced by a member.

Walch suggested that going forward Grand Valley Power tracks its SAIDI exclusive of transmission outages, especially considering that Xcel's public safety outages in Denver could impact GVP members on the Western Slope.

Accounting — Wheeler reported that Grand Valley Power received a \$149,000 check from Western United Electric, which accounts for retirement of patronage capital through 2019. Director Mease said GVP can expect an aggressive retirement schedule because retirements for 2022 and 2023 are expected to be large.

Information Technology – Kansgen reported that Marcus Johnson has started in the new position of network administrator, which he is grateful to have. Kansgen said GVP has access to the new, web-based version of Call to Order, which allows directors to log in and view board documents on any web-accessible device.

Walch said Call to Order is one of the products offered by NISC, the National Information Solutions Corporation, which serves 600 co-ops and communications business with solutions for billing, engineering platforms, operations analytics, and communications.

Kansgen said NISC also offers AI Assistant, which provides a secure, internal solution for incorporating artificial intelligence into the cooperative's toolkit. GVP has plans to adopt the technology to create

efficiencies across customer service.

Member Services and Communication – Sanders shared a draft of the 2026 Board Calendar, noting that she would be attending the NRECA Management Internship Program in January and April during the board meetings. The board agreed that Member Support Supervisor Tonya Archuleta, a staff member, take minutes at the January board meeting in Sanders' absence. The board will consider approval of the 2026 calendar at January board meeting after new CEO Chrystal Dean has had a chance to review it.

Sanders referred to the draft of the redesigned billing statement that will be sent to consumers beginning in February 2026. In response to a question from Director De Young, Sanders said the graphic image on the back of the statement is one of two places on the bill that Grand Valley Power can customize each month; the other is the message on the front of the statement.

Sanders reported that Grand Valley Power has received just a few phone calls and emails since the December bill, the first with the rate increase, was sent to members. A few expressed disappointment in the new demand charge but understood the need for the increase. Sanders also reminded directors that the Member and Community Relations Committee would meet at 8 a.m. before the January board meeting to choose the participants in Grand Valley Power's youth programs.

Director Burtard commended Sanders for the newsletter that the communication team put together for Redlands Water and Power.

Finance – Walch noted that system demand spiked in November after being down for most of the month. He said that because of the spike and low kilowatt-hour sales, about two-thirds of Grand Valley Power's November bill from Xcel was driven by demand. He said the impact of the spike in demand will be somewhat mitigated by November's rate change with the new demand charge, giving weight to the necessity of the three-part rate. Walch referred to the kilowatt-hour sales graph and noted that GVP's sales were lowest in October than they have been over the past two years.

Michalewicz provided a summary of the monthly financials and reported on the disconnects and write-offs. He reported that GVP processed its patronage capital retirement on December 12. The cooperative mailed just under 16,000 CashBack Credit checks to members, of which 200 have been cashed.

Michalewicz reported that kilowatt-hour sales were down 4.7% in October year over year, and GVP's margins are slightly lower than budget for the year to date. He said the cooperative has received a patronage capital check from Western United Electric that will contribute to margins. He noted that GVP will end the year with 39% equity, but that will decrease next year with the projects in the Construction Work Plan. He said that cash is decreasing, and GVP will need to borrow money as this balance declines.

Michalewicz said collections have stabilized for the year but are significantly higher than in 2024. He said one account with a balance of \$35,000 makes up most of the collections. Directors discussed the process for collecting from the account.

Walch noted this is Michalewicz's last board meeting before he begins a CEO position at a Nebraska utility and thanked him for his contributions over the last five years.

## VI. CEO Report

Legislative Report – Walch provided an update on three initiatives. He said that rather than accelerate clean energy initiatives, the governor has introduced interim targets that may not be palatable within the industry. Walch said challenges exist in not just meeting new clean energy requirements, but also in how to meet them because costs could be too great. He noted that the requirements will be especially challenging for cooperatives and that it would be better for them if wholesale power suppliers had the bulk of the

management responsibilities for meeting clean energy requirements.

Regarding the statutory requirement that power suppliers join a regional transmission organization (RTO), Walch noted that Xcel has taken the position that Markets+ is an RTO, even though it isn't. He said the Colorado Rural Electric Association (CREA) will challenge that and ask that Xcel be required to join the type of RTO outlined in the legislation.

Walch said a wildfire mitigation bill is likely to be considered by the legislature this year. He noted that the proposed bill with the greatest support requires electricity providers to have a wildfire mitigation plan and contribute to a reinsurance fund. The bill would cap noneconomic damages per event and pay them from this insurance pool.

Walch said CREA will take a position on approximately 40 bills during the session. He noted that the Robin Alerts bill also is of interest, but so far, the sponsors have not been willing to discuss it.

**CEO Transition** – Walch said he and staff have been working with Chrystal Dean to prepare for a smooth CEO transition on January 2. Staff briefed her on transmission and power supply, and she sat in on CFO finalist interviews. Walch noted that GVP has a signed offer letter from a person with experience as a co-op CFO and is working on completing pre-employment screening verifications.

Walch read an excerpt from an article he wrote for a 2012 issue of *Colorado Country Life* magazine in which he covered Grand Valley Power's new power supply contract with Xcel and the importance of building in flexibility to reduce purchases from Xcel. Walch said he found his notes from when he interviewed for the CEO position at GVP, and he had said that as a generalist he would build a strong team, and it was his goal to develop fair rates such that consumers pay for the cost that they impose on the system.

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

VII. Consent Agenda

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

VIII. Finance Committee Report

**Approve 2026 Budget and Work Plan** — Director Coltrinari reported that the Finance and Audit Committee met to review the 2026 budget. The Committee accepted changes made since the November board meeting, including the categorization of safety expenses such as those for Hotline School training and teaching, the categorization of traffic control for activities like vegetation management, an increase for reclosers, and an addition for the purchase of a high voltage demonstration trailer to replace GVP's 31-year-old demonstration device that has outlived its lifespan.

Directors discussed the 2026 budget. Director Coltrinari said that on behalf of the Finance and Audit Committee, he recommends that the 2026 budget be approved as presented.

**MOTION:** Motion by Coltrinari second by Gray to approve the 2026 Budget and Work Plan; unanimously carried.

Coltrinari thanked staff for preparing the 2026 budget.

IX. Member and Community Relations Report – Donation Request

Director Burtard reported that the Member and Community Relations Committee met at the request of Grand Valley Power's linemen to consider donating to a former employee whose family recently suffered a tragedy that will have lifelong financial impacts. Burtard said the Committee recommends making a \$5,000 donation to the family and asking the linemen to continue following up with the family in consideration of future needs. Some community members have suggested a workday might be necessary to help make accessibility

accommodations to their home. Discussion ensued.

**MOTION:** Motion by Golike second by VanWinkle to approve a \$5,000 donation to the former employee in support of their needs because of the incident; unanimously carried.

X. Policy Committee Report – Director Code of Conduct; Board Delegation of Authority to CEO

Director Mease reported that the Policy Committee did not meet, but that directors could provide input on the proposed policy. Director De Young provided input. Mease said he talked with Webb and President Woods about the policy to ensure it meets the goal of being broad enough to support the board but not reduce any person's right to their opinion. Mease said hopefully all directors have reviewed the policy. Mease said the Committee recommends moving forward with the Director Code of Conduct Policy as proposed with the minor edits marked in the document. Directors clarified that the edits would be accepted and not the comments made in the document.

Director De Young moved to accept the revisions to Policy Bulletin No. 54, Director Code of Conduct, with an amendment to include a simplified version of Robert's Rules of Order; died for lack of a second.

**MOTION:** Motion by Golike second by Coltrinari to accept the revisions to Policy Bulletin No. 54, Director Code of Conduct; passed 7-1 with De Young opposed.

**MOTION:** Motion by Mease second by Golike to accept Policy Bulletin No. 107, Director Conflict of Interest, with the new Exhibit A, Conflict of Interest Disclosure form; unanimously carried.

Directors agreed to consider the approval of Policy Bulletin No. 40A, Delegation of Authority from the Board of Directors to the Chief Executive Officer, with an addition for a Wildfire Risk Plan and Grants, at the January 2026 board meeting.

XI. Approve Resolutions Authorizing New Signatories and Representatives

Sanders said that with the transition to Chrystal Dean as CEO on January 2, Grand Valley Power needs the board's approval to authorize new signatories and representatives for cooperative business. Walch said the board will need to reconsider the Alpine and CFC authorizations at the January meeting when a new CFO is in place. Resolutions today cover Alpine Bank, CFC, RUS, the Colorado Energy Office, and the Department of Energy.

**MOTION:** Motion by Golike second by Mease to approve Resolution 25-04: Alpine Bank Change in Authorized Signatures; unanimously carried.

**MOTION:** Motion by Coltrinari second by Mease to approve Resolution 25-05: National Rural Utilities Cooperative Finance Corporation Change in Authorized Signatures; unanimously carried.

**MOTION:** Motion by Mease second by Golike to approve Resolution 25-06: Authorization to Submit and Certify Data to the Rural Utilities Service; unanimously carried.

**MOTION:** Motion by Golike second by Landini to designate Chrystal Dean and Walter Fees as points of contact for the Colorado Energy Office, Aspen Parks Project (Vega Lakes); unanimously carried.

**MOTION:** Motion by Landini second by Gray to designate Chrystal Dean and Derek Elder as points of contact for the Department of Energy WARN Consortium grant at Mesa Lakes; unanimously carried.

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

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

for discussing board governance; unanimously carried.

Executive session convened at 11:39 p.m.

Regular session reconvened at 12:29 p.m.

**XIII. Attorney's Report**

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

**XIV. Colorado Rural Electric Association Director's Report**

Walch reported that CREA sold its former office and determined the amount due from each member cooperative for the purchase of the new building. Walch said six cooperatives, including Grand Valley Power, have not prepaid their total share of the purchase. He said GVP preferred to know the total amount before sending its share and will pay the invoice upon receipt. The cooperative's share of the new building purchase is more than \$35,000 plus interest payments for the bridge loan from CFC.

**MOTION:** Motion by Mease second by Golike to authorize Grand Valley Power to pay CREA as invoiced not to exceed \$45,000 for the principal owed plus interest on the bridge loan for financing the new building at 455 Pierce St., Lakewood, Colo.; unanimously carried.

President Woods reported that GVP retiring CEO Tom Walch starts his new role of CREA Executive Director on January 5, 2026.

**XV. Western United Electric Supply Director's Report**

Director Mease reported that Western United has paid out patronage capital through 2019. He said that because of significant purchases in the years since COVID, some patronage capital retirements might be broken into multiple payments. Mease noted that outstanding inventory is less than \$100 million. He said that Colorado and Arizona are the only two states experiencing growth in sales.

**XVI. Continuing Business**

None.

**XVII. New Business**

None.

**XVIII. Adjourn**

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

Meeting adjourned at 12:37 p.m.

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Rita Sanders, Assistant Secretary

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Brian Woods, President