

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

Regular Meeting

December 14, 2016

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, December 14, 2016 at 845 22 Road, Grand Junction, Colorado. President Gormley called the meeting to order at 9:00 a.m. Attendees recited The Pledge of Allegiance.

ROLL CALL:

Don McClaskey	absent
S. James O'Connor	present
Robert Saunders	present
Sylvia Spangler	present
John Gormley	present
Dennis Haberkorn	present
Rod Martinez	present
Bill Rooks	present
Carolyn Sandeen-Hall	present

Others present: Tom Walch, General Manager; Sherry Fix, IT Manager; Karen Allen, Network Administrator; Cathy Gledhill, Manager of Finance and Administration; Pat Kanda, Staff Accountant; SueEllen Manley, Purchasing, Materials and Compliance Manager; Steve Don, Manager of Engineering; Matt Williams, Staff Engineer; Mike Birch, Operations Manager; Bill Byers, Consumer/Public Relations Manager; Derek Elder; Member Services Manager; Joe Foster, Safety and Loss Coordinator; Gregg Kampf, Attorney.

President Gormley welcomed new director Carolyn Sandeen-Hall. Directors and staff members introduced themselves to Hall.

Minutes:

MOTION: Motion by Saunders second by Haberkorn to approve the minutes of the November 16, 2016 regular meeting; carried.

MOTION: Motion by Martinez second by Haberkorn to approve the agenda; carried.

I. General Manager's Report

1. Fix informed directors IT and departmental staff is gearing up for development and implementation of revised Work Management process. Don informed directors engineering and operations personnel are expediting the process to relocate a 69 kV transmission pole on a single feed line from the Grand Junction-Ute Substation to the Orchard Mesa Substation. The pole's stability is being threatened by a fissure in the soil. Manley confirmed she is procuring material for the 69 kV transmission line re-route. Foster expressed appreciation to the board for its commitment to safety, and summarized 2016 employee safety training. Byers reported scholarship applications have been distributed to all the high schools. Byers mailed a letter to all high school counselors, with

the Youth Tour and Youth Camp applications and incentive information for promoting the programs. Byers also shared with directors the positive reception of the presentations of the five largest capital credit checks to local consumers. Elder is developing a memorandum of understanding with Grid Alternatives for the final phase of the low income community solar facility. Discussion ensued regarding the benefits of low income solar farm project as the energy assistance is transferrable. Kanda presented the October 2016 financial reports, and summarized delinquent account and write-off activity.

2. Walch reviewed Xcel Energy's proposed transmission rate adjustment due to overstatement of revenue credits from 2005 to 2009. Based upon the latest information that Xcel has provided, the transmission rate surcharge for GVP in 2017 will increase .034/kW, totaling about \$17,000.
3. Walch reviewed the final 2017 Work Plan and Budget, including updates detailing percentage variances on comparative statement items and payroll and benefits summaries. Rooks, chairman of the Audit and Finance Committee, reported the committee reviewed the revised comparative statement, and requested that staff provide explanations when percentage changes are significant in future budget presentations. The committee also agreed with recommendations from Walch to summarize total Capital Expenditures in future budget presentations. Rooks reported that the Audit and Finance Committee recommends adoption of the 2017 Work Plan and Budget as presented.

MOTION: Motion by Rooks second by Sandeen-Hall to adopt the 2017 Work Plan and Budget; carried.

4. Walch reviewed the 2017 board calendar, noting changes in regular meeting dates for the months of October (from October 18 to October 19) and December (from December 20 to December 13).
5. Walch introduced proposed 2017 Management Objectives for initial board review. Walch commented on the value of this document as it provides direction and helps establish priorities for 2017 activities. The board will finalize this document at the January board meeting.
6. Walch informed directors he has been approached regarding assuming the vice president role on the Grand Junction Economic Partnership board, which would place him in line to be president of the organization in 2018.
7. Walch relayed to directors employees will receive the traditional \$100 Christmas gift from the cooperative.

MOTION: Motion by O'Connor second by Haberkorn to approve the general manager's report; carried.

MOTION: Motion by Spangler second by Sandeen-Hall to approve the consent agenda items, which includes approval of uncollectible account write-offs; carried.

II. Legal

Kampf reported he reviewed the Notice of Special meeting, and noted no irregularities.

MOTION: Motion by O'Connor second by Martinez to convene special meeting to consider proposed bylaw changes; carried.

Executive session convened at 11:05 a.m.

Regular session reconvened at 11:15 a.m.

Gormley reviewed the revised proposal for an alternative director compensation structure after director input from November meeting. Following board discussion, Gormley polled individual directors to provided direction to Walch to draft policy revision, with all directors present agreeing on the following policy components:

1. Monthly director compensation in the amount of \$900 for board and committee meeting attendance, and other basic duties and responsibilities associated with serving on the board of directors;
2. Monthly compensation to be reduced to \$300 in any month in which the director fails to attend scheduled board meeting;
3. Additional compensation of \$100 per month for board president;
4. A one-time award to directors for earning director training certificates (\$250 for each certificate earned);
5. Payment in the amount of \$100 per day when attending a meeting outside the service territory;
6. Compensation for CREA and WUE board delegates;
7. Compensation for special circumstances requiring additional time and effort by directors in an amount set by the board, not to exceed \$200 per day and \$1,000 per year for each director; and
8. Expense reimbursement based upon IRS per diem guidelines for the location of the meeting or function in question.

Walch reported that a revised Policy No. 33 on director compensation and travel will be presented at the January meeting.

Gormley requested directors complete the 2017 meeting/travel checklist.

III. CREA/Western United

Martinez reported CREA board conducted Singer's evaluation in December. Saunders relayed he was unable to attend Western United meeting.

IV. Continuing Business

None

V. New Business

None

MOTION: Motion by Martinez second by Haberkorn to adjourn; carried.

Meeting adjourned at 12:20 p.m.

Cathy Gledhill, Asst. Secretary

John Gormley, President