

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

Regular Meeting

November 16, 2016

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, November 16, 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	present
S. James O'Connor	present
Robert Saunders	present
Sylvia Spangler	present
John Gormley	present
Dennis Haberkorn	present
Rod Martinez	present
Bill Rooks	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; Matt Williams, Staff Engineer; Mike Birch, Operations Manager; Bill Byers, Consumer/Public Relations Manager; Derek Elder; Member Services Manager; Gregg Kampf, Attorney.

Minutes:

MOTION: Motion by Haberkorn second by O'Connor to approve the minutes of the October 19, 2016 regular meeting as amended to recite that the regular session reconvened at 12:50 p.m. upon conclusion of executive session; carried.

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

I. General Manager's Report

1. Kanda presented the September 2016 financial reports, and summarized delinquent account and write-off activity. Staff members presented the preliminary 2017 Work Plan and Budget for their respective departments. Walch noted a change in the preliminary Engineering budget presented by Steve Don in October. The Engineering budget has been revised to include (1) \$5,000 for joint hosting capacity study with Delta Montrose Electric Association and several other cooperatives to evaluate impact of distributed energy resources on distribution utility systems; and (2) \$30,000 in consulting fees for AMI implementation study. Walch reviewed with the board the next steps of the budget approval process: (1) an opportunity for director input to Walch or Rooks or other members of the Finance and Audit committee; (2) final review by Finance and Audit committee in early December; and (3) presentation of the final Work Plan and Budget for approval at the December board meeting.

Kanda reviewed with the directors the 2016 budgeted capital credit retirement, and recommended the board approve an additional \$61,769 to reduce balance of unretired capital credits from gain on sale of plant. Walch informed directors capital credit refund checks will be presented to Mesa County School District No. 51, Whitewater Building Materials, Westgate Inn, Collbran Job Corps and Western Slope Ford, and requested director volunteers for the presentations.

MOTION: Motion by Rooks second by O'Connor to authorize refund of 5% of outstanding patronage capital balance exclusive of capital credits from gain on sale of plant, in the amount of \$1,234,232; and capital credits from gain on sale of plant in the amount of \$368,693, for a total retirement of approximately \$1,602,925; carried.

2. Walch reviewed proposed bylaw revisions. Attorney Kampf and President Gormley have reviewed and approved proposed amendments. The board concurred it is ready to adopt changes at special meeting to be held in December.
3. Walch distributed for review the general manager's article to be published in GVP's *Colorado Country Life* local pages regarding the co-op's five-year commitment to the John McConnell Math and Science Center.
4. Walch reviewed the 2017 board calendar, noting changes in regular meeting dates for the months of October and December.
5. Walch informed directors CFC representative Eric Anderson and Steve Kettler are scheduled to assist the board with Financial Strategic Planning meeting on May 17 and 18, 2017.

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

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

II. Legal

Kampf reported his firm assisted Engineering with clarification of use of dedicated utility easement in Gobbo Subdivision for consumer outside the subdivision. Consumer was required to reroute the service as easement could not be used.

MOTION: Motion by Haberkorn second by O'Connor to appoint Carolyn Sandeen-Hall to fill open board position; carried unanimously.

Walch distributed a preliminary proposal for an alternative director compensation structure as well as a summary comparing 2016 director compensation with alternative structure. Board discussion followed, and Gormley polled directors individually for comments. Gormley encouraged directors to review alternative compensation structure and provide additional comments, with further discussion to take place at the December board meeting.

III. CREA/Western United

Martinez reported CREA board will be conducting Singer's evaluation in December and requested

director input. The GVP directors expressed Singer should be directed to try to contain cost and exposure associated with the organization's defined benefit plan. Saunders relayed that Western United is purchasing more glove testing equipment as business growth has exceeded projections.

IV. Continuing Business

None

V. New Business

None

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

Meeting adjourned at 12:55 p.m.

Cathy Gledhill, Asst. Secretary

John Gormley, President