

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

Regular Meeting

January 20, 2021

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, January 20, 2021 at 845 22 Road, Grand Junction, Colorado. In order to comply with COVID-19 social distancing guidelines, the board meeting utilized audio and video platforms allowing remote participation by directors, staff members, cooperative members and the public at large. President Sandeen-Hall called the meeting to order at 9:00 a.m. Attendees recited The Pledge of Allegiance.

ROLL CALL:	
Don McClaskey	present
Sylvia Spangler	present
Janie VanWinkle	present
Dennis Haberkorn	present
Rod Martinez	present
Bill Rooks	present
Carolyn Sandeen-Hall	present
Jesse Mease	present
Joe Burtard	present

Others present: Tom Walch, CEO; Derek Elder, Corporate & Member Services Manager; Christmas Wharton, Communications Manager; Matt Williams, Engineering Manager; Thomas Wright, Staff Engineer; Gary Billiet, Purchasing and Warehouse Manager; Pat Kanda, Finance Manager; Joe Michalewicz, Controller; Sarah Wheeler, Benefits Administrator; Bill Barlow, Operations Manager; Karen Allen, Information Technology Manager; Gregg Kampf, Attorney.

MOTION: Motion by McClaskey second by Haberkorn to approve the minutes of the December 16, 2020 regular meeting; carried.

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

I. Guests and Public Comments

David Price is joining the board meeting to provide a summary of changes to labor laws that went into effect on January 1, 2021.

II. CEO's Report

Staff Reports

Coronavirus Continuity Plan – Wharton noted that the statewide mask mandate was extended through February 8. Wharton shared the communication platforms that are being utilized by departments to continue operations. Wharton noted that GVP remains in close contact with Mesa County Public Health Department regarding potential vaccination scheduling for cooperative employees.

Walch stated that departments continue to operate on staggered schedules to minimize contact between employees. Walch shared that the staggered schedules will continue through the middle of February. Walch noted that the FFCRA requirements for leave expired on December 31. Walch reviewed with the board his intention to continue to meet FFCRA leave requirements through March

31, 2021. Board members expressed support for this position.

Communications – Wharton provided an update on the Hometown Relief Fund. Wharton noted that to-date GVP has awarded \$54,000 to the members via one-time \$100 bill credits for those impacted by COVID.

Wharton shared updates regarding a partnership with the Grand Junction Fire Department regarding promotion of electrical safety. Wharton noted that the January Colorado Country Life included a guest article from GJFD regarding home fire safety. Wharton stated that GVP provided a targeted bill insert in its January bills regarding electrical safety in the home.

Wharton noted that the Member and Community Relations Committee is evaluating GVP's electric lineworker scholarship requirements. Wharton shared that the committee is gathering information and will bring recommendations to the board at next month's meeting. Walch expressed interest in continuing to support the WCCC Lineworker program due to its support for the community and industry at large. Walch noted the committee is considering opening up the scholarship program to any Mesa County resident while giving preference to any applicant who lives in a household served by Grand Valley Power.

Wharton stated that GVP has completed a high voltage demonstration video for the 2021 Mesa County Safety Fair. Wharton noted that additional support material will be distributed to participants along with the video - including definitions, worksheets, and hands-on activities.

Member Services – Elder reviewed the Past Due Accounts Receivable report. Elder provided a staffing update noting that GVP extended an employment offer to Whitley Decker to fill an upcoming vacancy for a CSR position. Elder expressed appreciation to Debbie Whiteside for her 31 years of service to GVP and noted that her last working day would be February 10.

Engineering – Williams provided an overview of the 2020 SAIDI index. Williams noted that GVP continues to provide reliable service as seen in the low number of outage minutes per consumer. Walch noted that outage minutes associated with the Pine Gulch Fire accounted for more than half of all GVP outage minutes in 2020. Without that event, GVP would have turned in its best reliability results in ten years or more.

Williams shared that GVP has received the signed invasion agreement from Xcel Energy allowing GVP to move forward with plans to serve the Iron Wheel subdivision along 19 Road. Williams noted that GVP relinquished rights to serve territory in the Fruita industrial park with Xcel in order to serve the subdivision.

Warehouse – Billiet provided an update on the asphalt repair project. Billiet stated that Western United lead times are increasing to 30 weeks for some equipment. Billiet noted that the warehouse is working with operations and engineering to forecast and increase inventory levels to minimize the impacts to GVP. Walch asked if priority is given to cooperative members of Western United over non-members. Haberkorn shared that orders are filled in the order they are placed. Haberkorn stated the bulk of sales do go to Colorado cooperatives. Haberkorn noted that he will raise the question for further discussion during next week's WUE board meeting.

I.T. – Archuleta shared that GVP's year-end process and billing is scheduled to run at 5:30 p.m. on January 20. Allen provided an update on the state of the current server updates. Allen reminded directors that to provide necessary support for GVP's networks and data platforms, all three I.T. employees share on-call duties 24/7. Allen is reviewing the NICS maintenance and Capital Printing contracts.

Operations – Barlow provided a 2020 Safety Round-Up. Barlow noted that GVP has gone 730 days since its last lost-time accident. Walch noted that GVP's DART rate for 2020 was 2.65.

Barlow provided an update on the Safety Improvement Plan for 2020 noting that substation access goals have been achieved. Barlow shared that additional lighting was installed along the west fence of the warehouse yard. Barlow stated that the pole rack improvements continue and should be completed by the end of the first quarter this year. Barlow shared that the closed-circuit video feed for substations is in process for design and installation.

Barlow reported that the third tree trimming crew is working along G Road. Barlow reported on a minor accident involving a GVP vehicle. Barlow stated that the GVP employee was not at fault and the vehicle incurred minor damage with no injuries.

Finance – Kanda provided a summary of the monthly financial reports. Kanda noted that \$928,000 of the \$1,200,000 in CashBack Credit checks have cleared the account. Kanda stated that GVP has filed the Paycheck Protection Program loan forgiveness application with Citizens State Bank.

Legislative Update – Walch provided an update on a cooperative governance bill that is being introduced in the Colorado legislature. Walch noted that GVP's Conflict of Interest policy meets the requirements that are being proposed in the legislation.

Walch noted that he is still in the running for the Colorado Independent Redistricting Commissions. Walch stated that half of the commission members will be selected via a random drawing from 150 qualified applicants for each commission. Walch noted a non-partisan three-judge panel will select the remaining committee members out of pools of candidates provided by legislative leaders.

Walch shared an email from a GVP member expressing concern for a system that is too reliant on renewable, intermittent resources. Walch also shared his response to the GVP member with directors.

Walch stated that Intermountain Rural Electric Association has given notice to Xcel to terminate their power agreement in five years. Walch noted that GVP has relied on other cooperatives such as Intermountain to help protect its interests when it comes to negotiating with Xcel. Walch shared that Holy Cross continues to reduce its reliance on Xcel and seek outside power suppliers. Walch noted that losing close allies will make it harder in the future to negotiate with Xcel Energy. Walch stated that GVP will continue to evaluate alliance options.

Walch shared that he was elected to serve as GJEP Treasurer in 2021. Walch provided an update on the housing market in the Grand Valley and the potential impacts that may have on GVP. Walch noted that subdivisions continue to be developed in GVP territory.

Walch introduced a discussion on rates and how rates should be designed to ensure that consumers bear the cost they impose on the distribution system. Walch noted that GVP's enhanced meter system is providing information that enhances our ability to achieve this objective. Walch stated that this data will be used to perform a rate study this summer that may result in recommendations to shift to time-of-use rates or demand rates across the board. Walch reported that GVP has issued a Request for Proposals and invited six rate consultant firms to respond. Before going further down this road, Walch asked directors if they would be willing to commit to a rate structure that could include time-of-use and/or demand components that might be unpopular with a vocal portion of the membership. McClaskey shared support for a fair and equitable approach. Martinez supports the rate study and supports fair and equitable rates for all members. Haberkorn is in favor of continuing to evaluate rates and incorporate the benefits with the enhanced meters. Rooks stated that members have made decisions based on current rates and the impacts of a rate change may be greater for some members than others. Walch noted that GVP's Board is responsible for setting fair and equitable rates which requires adjustments from time to time to keep rates equitable for all consumers based on the way they consume electricity. Decisions made by consumers should be made with full knowledge that GVP's board of directors has the authority to amend and revise its rates when deemed necessary. Mease asked about the impact of a rate restructure on low-income consumers. Walch indicated that there will be winners and losers with any rate restructuring, but generally, moving to demand based rates or time-of-use rates would not have an adverse impact on low income consumers. In any event,

these rate structures would give consumers greater ability to modify consumption patterns to lower overall electric costs.

Sandeen-Hall noted that NRECA has resources specific to rate-making strategies and asked for that information to be shared with all directors.

Walch noted that 2020 Management Objectives were included in the board packet. He indicated that 2021 Management Objectives will be presented for approval at next month's board meeting. Walch asked for director input regarding the listing and prioritization of the objectives for 2021.

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

MOTION: Motion by Martinez second by Mease to approve the consent agenda items; carried.

III. Youth Tour Participants

Wharton provided an update on the Youth Tour and Camp. Spangler shared that GVP received two applications for the 2021 Youth Tour and Camp. Spangler noted that the Member and Community Relations Committee recommends that Jeweli Wiltse be awarded the Youth Tour and Alexis Grundy be awarded the Youth Camp for 2021. Sandeen-Hall shared that two applicants from the 2020 Youth Tour and Camp – Haley Gray and Amarah Thompson - expressed interest in attending the 2021 Youth Tour since the 2020 Youth Tour was cancelled.

MOTION: Motion by Spangler second by Martinez to approve sending Jeweli Wiltse, Haley Gray, and Amarah Thompson to the 2021 Youth Tour and also send Alexis Grundy to the 2021 Youth Camp; carried.

IV. Hydroelectric Power Purchase Agreement with Ute Water

Williams reviewed the proposed Ute Water hydroelectric power purchase agreement. Walch noted the financial savings and risks associated with the proposal are not significant. The primary reasons to pursue the agreement is the development of a local partnership focusing on renewable energy. Walch stated the agreement would be counted towards GVP's renewable eligible energy carve-out in its all-requirements contract with Xcel Energy.

Mease asked if there is opportunity for future growth with hydro projects and Ute Water. Burtard noted that this project by Ute Water was scaled back to get started and the infrastructure is in place in Ute Water's system to expand in the future. McClaskey asked why Xcel was not interested in continuing or expanding the potential of this project. Walch noted that Xcel Energy prefers to own its generating assets.

MOTION: Motion by McClaskey second by Mease to approve the Power Purchase Agreement with Ute Water for the purchase of the hydroelectric output of Ute Water's water treatment facility; carried.

V. Appoint Election Supervisory Committee

Sandeen-Hall reviewed the role that the election supervisory committee plays in the director election process.

MOTION: Motion by Rooks second by McClaskey to appoint Gregg Kampf, Wayne Keeler and Mike Wells to the Election Supervisory Committee for 2021; carried.

VI. Adopt Revisions to Policy Bulletin No. 107 – Conflict of Interest

Walch presented the proposed changes to Policy Bulletin No. 107 – Conflict of Interest.

MOTION: Motion by Martinez second by Haberkorn to approve the proposed changes to Policy Bulletin No. 107 – Conflict of Interest; carried.

VII. Adopt Revisions to Policy Bulletin No. 108 – Whistleblower

Walch presented the proposed changes to Policy Bulletin No. 108 – Whistleblower.

MOTION: Motion by Martinez second by Mease to approve the proposed changes to Policy Bulletin No. 108 – Whistleblower; carried.

VIII. Review CEO Evaluation Process

Sandeen-Hall reminded directors to respond to her email regarding input for additions and/or changes to the CEO evaluation process. Sandeen-Hall noted that the evaluation format was updated last year. Sandeen-Hall stated that directors will receive the evaluation document at the February board meeting. The evaluation should be submitted to Sandeen-Hall and then reviewed by the executive committee. The performance evaluation process and compensation recommendation will be finalized during the March board meeting.

IX. Attorney's Report

Kampf reported that the Century Link pole attachment agreement letter has not been acknowledged and his firm will be considering the next steps to secure a pole attachment agreement. Kampf shared that CREA is working to revise the language in the proposed legislation regarding the conflict-of-interest issue for directors who serve for cooperatives on G&T boards under the proposed legislation.

Kampf introduced David Price to the directors. Price provided an update on employment laws that went into effect on January 1, 2021.

X. CREA Report

Martinez shared that the next meeting would take place the following week. Martinez reported that the CEEI board will meet on Monday, January 25, 2021 to allocate the wildfire relief funds.

XI. WUE Report

Haberkorn noted the WUE report was included in the board packet. Haberkorn shared that GVP has received its 2013 allocation of capital credit retirements for \$10,291.93 from WUE. Haberkorn shared that WUE gives member cooperatives priority over non-members when delivering limited supplies of materials.

Walch stated that GVP has been asked to identify the delegate & alternate delegate for the 2021 Western United Electric Supply Corporation's annual meeting. The general consensus of the board was to appoint Dennis Haberkorn to serve as the Western United delegate and Jesse Mease to serve as the alternate delegate for the upcoming annual meeting.

XII. Continuing Business

None.

XIII. New Business

Rooks reminded directors to consider the succession plan for replacing Gregg Kampf as general counsel who has announced his retirement effective later this year. Walch asked directors to be ready to discuss GVP's Request for Proposal process for legal services.

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

Meeting adjourned at 12:23 p.m.

Derek Elder, Assistant Secretary

Carolyn Sandeen-Hall, President