

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

Regular Meeting

April 15, 2020

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, April 15, 2020 at 845 22 Road, Grand Junction, Colorado. In order to comply with COVID-19 Social Distance 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
Robert Saunders	present
Sylvia Spangler	present
Janie VanWinkle	present
Dennis Haberkorn	present
Rod Martinez	present
Bill Rooks	present
Carolyn Sandeen-Hall	present
Jesse Mease	present

Others present: Tom Walch, CEO; Derek Elder, Corporate & Member Services Manager; Christmas Wharton, Communications Manager; Matt Williams, Engineering Manager; Gary Billiet, Purchasing and Warehouse Manager; Pat Kanda, Finance Manager; Bill Barlow, Operations Manager; Mark Shaffer, Operations Supervisor; Sherry Fix, Information Technology Manager; Karen Allen, Network Administrator; Gregg Kampf, Attorney; David Doder, Attorney.

Minutes:

MOTION: Motion by Martinez second by McClaskey to approve the minutes of the February 19, 2020 regular meeting; carried.

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

I. Guests and Public Comments

None.

II. CEO's Report

Walch shared that GVP received notification from NRECA that Grand Valley Power and Christmas Wharton received the Edgar F. Chesnutt award, the top prize awarded by NRECA for best total communication program. Walch noted that this award is typically bestowed on generation & transmission cooperatives, statewide trade organizations or other big cooperatives that dedicate significant resources to communications. Walch stated that only one other cooperative as small as GVP has won the award dating back to 1989. Walch stated NRECA will make the announcement public on May 12, 2020.

1. Staff members updated the board on activities in their respective department. Wharton reported on the scholarship selection process. The Scholarship Selection Committee worked remotely to review and select the recipients. Walch noted that committee members praised Wharton for the effectiveness of the process. Wharton reported that 35 applications were received, and the recipients would be announced in the June edition of *Colorado Country Life*. Wharton reported that the

Washington D.C. Youth Tour was cancelled due to COVID-19. Wharton shared NRECA's recommendation that cooperatives consider either reserving a spot on the 2021 Youth Tour for the 2020 recipients or awarding a scholarship if the recipient is a senior. Wharton noted that Haley Gray is a junior and would be honored to be given the opportunity to attend the 2021 Youth Tour. Wharton stated that Izzy Mease is a senior and will be attending Colorado Mesa University next year.

MOTION: Motion by Martinez second by Spangler to award a spot on the 2021 Youth Tour to Haley Gray and provide a \$1,500 one-time scholarship to Izzy Mease; carried.

Wharton reported on the community impact programs that GVP and its employees are supporting. Wharton shared the "We Can Sew It" campaign that included 12 employees and family members who produced over 400 masks that were donated to Community Hospital. Wharton informed directors of GVP's Shop Local, Stay Local campaign hosted on GVP's Facebook page. She noted the Shop Local, Stay Local campaign identifies small businesses throughout our community, with GVP highlighting them on social media and providing \$50 gift cards for contest winners. Wharton noted that this campaign has increased GVP's engagement with members while promoting small businesses. Wharton also shared that GVP is hosting a virtual food drive in conjunction with Food Bank of the Rockies Western Slope. GVP's goal is to raise \$4,500 which would cover 18,000 meals, equivalent to the size of GVP's membership.

Elder shared that GVP received a grant in the amount of \$9,000 from Charge Ahead Colorado to install an electric vehicle charging station in the headquarters' parking lot. Elder reported on the steps that GVP has implemented to help protect employees and members during the COVID-19 pandemic. Elder noted that GVP is an essential business and must continue to provide service to the members. Elder shared appreciation for the management staff who came together over the weekend when the first case of COVID-19 in Mesa County was announced to the public. Elder noted that GVP used its Continuity Plan to identify essential business functions and departments discussed operational plans. Elder stated that through collaboration and cooperation among all departments, GVP was able to continue to provide services to its members. Elder shared that the lobby was closed to the public on March 16 and remains closed to the public. Elder also stated that GVP continues to operate with most employees either working remotely or staggering shifts to reduce personal contact. Elder stated that GVP's investment in technology and training over the past several years made it possible to continue services to the members without significant interruption. Elder expressed appreciation for the employee attitudes, management's commitment, and GVP's investment in the employees and technology. Walch thanked Elder for his leadership and the staff's commitment through the process.

Fix reported on the work that the IT department is doing for all departments. Fix shared that the department purchased three additional laptops and put them into service so that additional employees could work from home with appropriate cybersecurity safeguards. Fix and Allen implemented two-factor authentication a year ago and now it is being utilized by the employees and provides an extra layer of security. Allen reported on the RC3 process and how that helped assure that GVP was already in position to provide secure remote access to the GVP network. Walch commended the IT staff for all the work behind the scenes that led to GVP being prepared for the implementation of the Continuity Plan, along with efforts after-the-fact to assist the workforce in effectively implementing new remote processes and procedures.

Billiet reported that the warehouse is operating at full staff to support operations and take deliveries but is practicing social distancing.

Barlow reported on COVID-19 impacts on the operations department. Barlow noted that early-on GVP relied on DMEA, its after-hours dispatch provider, to perform daily dispatching duties. He shared that IT acted quickly to enable GVP's dispatcher to work remotely. GVP is back to providing its own dispatching services during normal business hours. Barlow noted that the Continuity Plan includes overflow capabilities to still flow back to DMEA during a large outage. He noted that Safety Coordinator Joe Foster is creating YouTube safety training videos for the operations department.

Shaffer reported on the servicemen and construction crews. He noted that operations initially performed only emergency locates and outage response. Shaffer stated that since then they have staggered crew start and stop times, so the different crews are not in the building at the same time. Efforts continue to maintain physical distancing whenever possible when work is being performed. Otherwise, normal construction and maintenance activities continue.

Walch noted GVP's process has been cautious in an effort to keep operations functions safe and protect both the members and employees. Walch stated the health and well-being of GVP's employees has been the focus from day one. He noted the importance of staggered start times for crews as a necessary step to ensure that if the Coronavirus spread among one crew, others would remain uninfected and able to provide critical work necessary to keep distribution system in operation.

Williams reported that the engineering department continues to operate with a staggered workforce. Williams stated that days the service planners are not in the office, they are doing field work where they don't have member contact. Williams noted that other employees are able to remote in and perform duties from home. Williams stated that the engineering department is utilizing mail services to execute contracts. Williams also reported that he and Walch have been working with Dodero on a line extension proposal north of the Interstate near 30 road.

Kanda reported on the financials, including a report summarizing noted revenue per kWh since 2012. Walch noted the last rate restructure in 2014 actually resulted in a slight decrease in revenue for GVP. Kanda gave a summary of uncollectibles and the impact that an increase from 0.5% to 5.0% would have on financials. Kanda reported that Kevin Kelso should have the audited financials to GVP by the May board meeting. Walch shared that GVP is looking at options that may be available to it under the Paycheck Protection Program (PPP). Walch noted GVP kept its workforce on the payroll and this program could reimburse GVP for the hours that employees didn't work, along with other financial losses attributable to the Coronavirus. Walch stated the rules are not clear as to whether electric cooperatives are eligible. Rooks acknowledged the impacts of late payments but believes GVP can weather the storm. Walch agreed that the cooperative benefits from a diverse local economy and rate-paying base that is not overly dependent on tourism, energy development, or large commercial and industrial loads that face financial challenges because of the pandemic. Consequently, GVP likely will not face the magnitude of financial pressure that many utilities will see.

2. Walch gave the legislative report. Walch shared the Colorado Legislature is not in session and will have plenty of business to attend to when they do reconvene. Walch shared that the leave policies mandated by the Families First Coronavirus Response Act (FFCRA) are in place at GVP. Walch noted that GVP employees are eligible but to date none have indicated they need paid leave under the policy. Walch stated that NRECA is focused on helping confirm that cooperatives are eligible for relief under the PPP.
3. Walch stated that power supply discussions have taken a back seat to the pandemic. Walch shared that Guzman is now DMEA's power supplier and a press release will be released later in the day. He noted that DMEA can provide 20% of their power locally according to the press release. Walch stated that transmission costs continue to be significant costs in buyouts. Walch noted that GVP should continue to look into partnerships that gain efficiencies through scale in managing wholesale power contracts. Xcel has indicated that even if GVP converts to partial requirements. Xcel would still provide back-up power for all of GVP's requirements. Walch shared that Bill Leung contacted GVP and indicated that the Municipal Energy Association of Nebraska (MEAN) is willing to provide power to additional utilities. VanWinkle inquired how word gets out that GVP is in the market to purchase power. Walch noted that Leung has relationships with several providers and shares information in hopes to connect buyers and sellers. Haberkorn stated a partnership with another cooperative could provide benefits of scale. Haberkorn questioned transmission costs and capabilities with MEAN. Walch noted that transmission costs would exist with any option with energy sourced outside of GVP's service territory. Walch shared that FERC has ruled that Tri-State is now regulated by FERC but the Colorado Public Utilities Commission would get first crack at resolving their contract buyout issues.

Rooks inquired whether GVP is in a good position to make power supply changes with pandemic-related economic uncertainty. Walch noted that GVP is not in a rush to move right now but continues to evaluate options.

4. Walch shared a staffing update. Walch shared GVP hired a lineman, Caleb Monger, to fill the void left by the retirement of Mike Birch. Walch noted that Monger's first day was March 16. Walch shared that GVP hired a staff engineer who will start on June 1. Walch noted that Fix will be retiring July 6 and staff has been meeting to discuss appropriate staffing positions going forward.

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

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

Walch shared that GVP's current contract with Ward Electric is set to expire at the end of the month. Walch noted that Ward has approached GVP about an extension of the current contract with a 3% increase. Walch stated that Ward is used to help reduce seasonal workload and special projects so that GVP employees can continue to perform routine maintenance.

MOTION: Motion by Martinez second by Rooks to approve the extension of the open-end contract with Ward Electric for one year with a 3% increase; carried.

III. Coronavirus Impact

Walch commended staff for all their efforts during the pandemic. Walch stated that GVP has strong management staff leadership; department leaders across the board stepped up to take on additional tasks and work cohesively to assure GVP's business and operations processes continued with minimal disruption.

Sandeen-Hall reported the executive committee talked about annual meeting and director petition process. Walch shared that GVP's director petition process will need to be adjusted due to the pandemic. Sandeen-Hall inquired about a postcard approach. Dodero shared concerns with personal information on a postcard. Dodero noted confidential information would be more secure in a sealed envelope. Walch recommends that the petition process should start May 1 to give additional time to collect signatures due to physical distancing recommendations. Walch recommends that members sign a printed document, listing printed name, address and signature with the petition language included. Walch noted that each signature should be on separate pages to help minimize common touchpoints. Sandeen-Hall stated that directors should collect signatures and have members return the petition signatures to the director and then when the satisfied number is reached, the director shall return all documents to the cooperative. Walch shared that director actions should match the cooperative's operations through this pandemic. VanWinkle, McClaskey and Saunders agreed that directors will be responsible to secure petition signatures in an appropriate manner.

Walch proposed that in addition to expanding the time to mail the petition package to candidates beginning on May 1, that the cooperative include recommendations on how to obtain signatures. By consensus, the board supported the inclusion of recommendations in the petition packet identifying social distancing best practices in securing petition signatures.

Walch discussed the possibility that the annual meeting may need to be adjusted due to the pandemic. Social distancing restrictions may impact in-person voting and GVP bylaws currently state members may vote either at a meeting held for such purpose or by mail, but not both. Walch recommends that board consider amending the bylaws to allow mail ballots as the sole option. Haberkorn agrees with mail ballots but asks for Kampf's input. Kampf states that the GVP board can amend the bylaws with proper notice. Kampf expressed concern that statute may dictate that in-person voting be allowed. Kampf stated that a public drop-off may satisfy the requirement for an in-person voting option. Walch noted that bylaw amendment requires a special meeting; notice for the meeting must include any proposed changes to the bylaws, and approval would require a two-thirds majority of directors present. Walch indicated that he, Kampf and Dodero would discuss bylaw provisions regarding director elections to determine if changes were in order.

Sandeen-Hall stated the power supply strategic planning session has been postponed indefinitely.

Sandeen-Hall presented the GVP Hometown Relief Fund for discussion. Walch provided an overview of the proposed Hometown Relief Fund program. Walch stated that GVP would make available \$100,000 from unclaimed capital credits and the general fund to members who are experiencing hardship due to the COVID-19 pandemic. Walch noted that the fund would be set up in a fair and nondiscriminatory way without increasing administrative burdens. Walch shared that residential members could apply for a one-time award of \$100 bill credit either online or through the mail. Walch noted that each membership would only be eligible for one award regardless of the number of meters under that membership. Walch stated that GVP would require applicants that are already past due to contact the office in an effort to share additional outside resources that could be of assistance to the member. Walch stated that the fund would be available through 12/31/2020 or until the funds are exhausted, whichever comes first. Haberkorn likes the proposal and inquired how GVP would manage the program. Walch stated that Member Services would manage and administer the program. Mease asked if GVP would revisit the program if funds were exhausted before the end of the year. Walch shared that GVP is under no obligation to extend the program beyond the current scope but noted that management would provide monthly updates to the board. Walch stated it would be up to the board to discuss options if the fund is exhausted prior to the end of the year. Haberkorn asked how we would promote the program to members. Walch noted we will use all the platforms and means that we have available to communicate to our members, including press releases, *Colorado Country Life* articles, and website and social media postings. Spangler expressed appreciation for the development of this program and shared the belief that GVP members will be positively impacted by these efforts. Martinez applauds the efforts. VanWinkle inquired if the credit would only be applied to their GVP electric bill. Walch explained that the best way to administer this program is to apply it only to GVP bills. Sandeen-Hall noted that Policy Bulletin No. 84 does allow the board discretion to exceed the annual limits on unclaimed capital credit expenditures under special circumstances.

MOTION: Motion by Mease second by Martinez to approve \$100,000 to be allocated from unclaimed capital credits and the general fund for GVP's Hometown Relief Fund; carried.

IV. Attorney's Report

Kampf shared that he worked with Wharton to develop rules for GVP's Shop Local, Stay Local small business contest. Kampf stated he also continues to work on the pole attachment agreement with Charter and GVP is making slow progress on the agreement. Kampf shared that Charter will send a second marked-up version of the agreement soon. Dodero discussed the line extension north of the interstate near 30 Road and shared that he is working on with Walch and Williams.

V. CREA Report

Martinez noted that the CREA report was provided as part of the board packet and asked if any directors had questions. Martinez stated the next CREA Board meeting will be held virtually. Martinez also shared that CREA staff is following recommended guidelines and working from home.

VI. WUE Report

Haberkorn reported that the WUE report is attached to the board packet and asked if any directors had questions. Haberkorn noted that he attended a WUE virtual meeting at the end of February regarding the budget. Haberkorn also shared that WUE staff is working from home & doing well. Haberkorn stated the WUE property purchase in Utah is on hold for now. He noted the May meeting has been moved to May 28. Mease asked if co-ops would be prioritized if material becomes limited due to pandemic restrictions. Haberkorn stated that most of the time inventory is on a first-come first-serve basis.

VII. Continuing Business

Walch shared Mesa County's Public Health department update on COVID-19. Walch noted that GVP is observing state recommendations and will remain at the current reduced staffing levels through April 26. Walch and Wharton are sending regular emails to employees to keep in touch and keep employees informed. Walch shared optimism that we may be nearing the end of the stay-at-home order. Walch stated that GVP will continue to follow its continuity plan as the situation evolves.

VIII. New Business

Sandeen-Hall stated that director hour reporting forms will be sent to all directors either through mail or electronically.

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

Meeting adjourned at 12:09 p.m.

Derek Elder, Assistant Secretary

Carolyn Sandeen-Hall, President