

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

Regular Meeting

February 21, 2018

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, February 21, 2018 at 845 22 Road, Grand Junction, Colorado. President Martinez 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
Janie VanWinkle	present
Dennis Haberkorn	present
Rod Martinez	present
Bill Rooks	present
Carolyn Sandeen-Hall	present

Others present: Tom Walch, CEO; Sherry Fix, IT Manager; Karen Allen, Network Administrator; Cathy Gledhill, Manager of Finance and Administration; Pat Kanda, Staff Accountant; Sarah Wheeler, Accounting Assistant; Mike Birch, Operations Manager; Steve Don, Manager of Engineering; Derek Elder, Member Services Manager; Christmas Wharton, Communications Specialist; SueEllen Manley, Purchasing, Materials and Compliance Manager; Gregg Kampf, Attorney; consumer Randy Spydell; retiree William Byers; Candy Siderius of Employers Council.

Minutes:

MOTION: Motion by Haberkorn second by Sandeen-Hall to approve the minutes of the January 17, 2018 regular meeting; carried.

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

Walch reported that GVP received first place in three of the four categories of *Colorado Country Life* magazine's Excellence in Newsletters Awards at the recent CREA Banquet. Walch presented awards to Byers for best article highlighting a community event for his feature on the Mesa County Safety Fair. Walch also presented awards to Wharton for best safety article, for an article about new legislation requiring motorists to move over for stopped emergency and utility vehicles and for co-authoring an article with Walch for best explanation of an industry issue for a column addressing cybersecurity.

Walch recognized Martinez for completion of the NRECA Director Gold certification. Martinez recognized Haberkorn for completion of the NRECA Director Gold certification. Martinez also commended management staff for 100% ACRE participation in 2017.

I. CEO's Report

1. Walch reported that he and Kampf attended a sneak preview of the McConnell Math and Science Center in the new CMU Confluence Engineering Hall. GVP was recognized for being a key community leader with its contribution to help fund the new home for the center.
2. Staff members updated the board on activities in their respective departments. Kanda presented the December 2017 financial reports. Walch noted that year-end operating expenses, exclusive of power costs, are within 1% of budget projections. Walch indicated that this is the direct result of a budget process that gives members of management staff ownership and responsibility for departmental budgets, and further reflects the planning skill and discipline of staff members. Kanda summarized delinquent account and write-off activity. Kanda reported to board that of the \$1,147,971 in capital credit checks mailed, checks totaling \$1,030,000, have cleared to date. Walch informed directors that GVP's auditor, Kevin Kelso, will be on site completing field work the week of March 19. Walch will try to set up a meeting with Kelso and the finance and audit committee for the morning of Friday March 23. All directors will be invited to participate. Elder reported that GVP's contract with Xcel Energy to purchase a 20,000 kWh block of wind energy each month expired in August 2017. This block has served as the basis for a program offered to GVP consumers allowing them to purchase wind energy. Participating consumers will be informed that the program is being discontinued, and that GVP will present an alternate option to support renewable energy efforts by the end of the year. Wharton reported that the GVP scholarship application deadline is March 1; she has distributed releases reminding counselors and students about the deadline. Wharton also informed directors GVP linemen Robbie Barela, Kit Mabley and Matt Mason will be presenting GVP's table-top safety demonstration at the Mesa County Safety Fair being held at Mesa Mall February 22-23.

Birch informed directors outages from the snowfall last week were minimal. Crews restored power in the Mesa, Roan Creek and Salt Creek areas where outages were caused by tree issues. Walch reported he and Birch had a successful meeting with Dale Kishbaugh, CREA Director of Safety and Loss Control, concerning the RESAP process. Walch reviewed the preliminary schedule for Automated Metering Infrastructure (AMI) implementation. The schedule includes execution of contract by March 1; kick-off meeting and equipment order in March or April; meter delivery by end of June; and initial phase of meter installation scheduled for July and August. Another important aspect is the integration with NISC Meter Data Management System (MDMS), which will hopefully be under way by October. Walch is targeting completion of the initial phase of the project by December 2018. Walch also informed directors of staff recommendations regarding the information campaign for the AMI system, and policy considerations for addressing consumers who do not want enhanced metering installation. Fix updated the directors the security system upgrade has been completed.

3. Martinez introduced Candy Siderius of Employers Council and members of the board introduced themselves.
4. Walch reviewed with the board the status of the wholesale customers' challenge to the Colorado Energy Plan Portfolio PUC filing by PSCo (Xcel). Walch reported the parties must file their Statements of Position by close of business today. Walch is coordinating with counsel and other wholesale customer representatives to step up opposition to the plan.

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

5. Walch presented proposed revisions to Policy Bulletin No. 72 – Unlawful Harassment and Policy Bulletin No. 108 – Whistleblower Policy. These revisions have been recommended following review by Employers Council legal representative. The proposed revisions were reviewed by the policy committee, with no changes suggested.

MOTION: Motion by Spangler second by Sandeen-Hall to approve revised Policy Bulletin No. 72 – Unlawful Harassment and Policy Bulletin No. 108 – Whistleblower Policy; carried.

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

II. Legal

Kampf reported that his firm is working on the sales contract for the Whitewater parcel of land.

III. CREA/Western United

Martinez reported that Mark Farnsworth, CEO of Highline Electric is retiring. He also notified directors that San Isabel Electric is filing a suit against Black Hills Energy for territorial invasion. Black Hills is constructing a solar farm in San Isabel certificated territory with plans to provide electric service to the facility itself. Haberkorn attended the January Western United meeting. Year to date revenues and margins exceed budget. He also reported that Western United is expanding sales into Idaho and Montana, and growing its New Mexico presence.

MOTION: Motion by O'Connor second by Saunders to convene executive session for purpose of reviewing CEO compensation policy and structure; carried.

Executive session convened at 10:55 a.m.

Regular session reconvened at 2:05 p.m.

IV. Continuing Business

None.

V. New Business

None

Meeting adjourned at 2:10 p.m.

Cathy Gledhill, Assistant Secretary

Rod Martinez, President