

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

Regular Meeting

June 17, 2020

The Board of Directors of Grand Valley Rural Power Lines, Inc., met in regular session on Wednesday, June 17, 2020 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
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; Matthew Channell, Staff Engineer; Gary Billiet, Purchasing and Warehouse Manager; Pat Kanda, Finance Manager; Bill Barlow, Operations Manager; Sherry Fix, Information Technology Manager; Tonya Archuleta, Applications Analyst; Gregg Kampf, Attorney; David Doder, Attorney; Joe Burtard, GVP Member.

Minutes:

**MOTION:** Motion by McClaskey second by VanWinkle to approve the minutes of the May 20, 2020 regular meeting; carried.

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

I. Guests and Public Comments

GVP member Joe Burtard participated in the meeting via virtual platform.

II. CEO's Report

Walch reported that the June Board meeting would be Sherry Fix's last meeting after 38 years of service. Walch thanked Fix for her contributions to GVP and her efforts to position GVP as a leader within the utility industry in the areas of technology and cyber security. Walch wished Fix well and reminded Directors that Fix's last day would be Monday, July 6.

Staff Reports

Fix introduced Archuleta as the new Applications Analyst. Fix thanked the company and board for the opportunity to work at GVP. The board thanked Fix for her years of service to GVP and its membership. Walch welcomed Archuleta to the Applications Analyst position and noted that her experience working in several different departments will help GVP maximize software capabilities and improve efficiencies.

Williams introduced Matthew Channell as the new Staff Engineer. Williams noted that Channell began employment at GVP on June 1. Williams reported on Eaton's AMI firmware update. He noted the firmware will take a couple of weeks to propagate throughout the system and should be completed by the end of July.

Billiett thanked the board for approving the bar-coding system. He provided an overview of the system and noted that it has been in use for four days. Mease asked if bar-coding will save time on inventory and Billiett indicated that it should reduce inventory time from one week to a couple of days. Billiett also reported on asphalt issues in the warehouse yard. Billiett noted that an initial repair estimate came in at \$250,000. GVP then consulted with the geotechnical engineering firm utilized during construction, and that consultation will generate a report outlining their recommended repair options.

Barlow reported the new digger derrick truck is in service. He noted that the first weekend the digger was in service, GVP used all three of its diggers due to the high wind and outages. Barlow asked the board to consider keeping the third digger truck, with the understanding that it would need a new engine at an estimated cost of \$25,000. Barlow stated the truck is a 2002 and limiting its use should add five or more years to its useful life. VanWinkle inquired about the salvage value of the digger truck. Barlow stated that salvage value for an older digger truck is less than \$10,000. Mease asked what the price is for a new digger truck. Barlow noted the price for a new digger truck is around \$350,000. It was the consensus of the board to go forward with the engine replacement on the 2002 unit.

Wharton reported on the Hometown Relief Fund. To date 146 applications have been completed with 30 applications currently in process. Wharton stated the targeted mailer - including email and bill inserts - will continue through June in an effort to help GVP members who have been impacted by COVID-19. Wharton stated the Electrical Lineworker scholarship deadline was June 1 and GVP did not receive an application for the scholarship. Wharton noted timing of COVID-19 impacts may have contributed to a lack of applications. Wharton noted 2,386 people visited the scholarship website page this year which is an increase of 50% over previous years. Wharton reported on plans for the virtual annual meeting. Wharton noted that GVP will communicate changes for the annual meeting through the July and August editions of *Colorado Country Life* as well as through social media, ballot packages, and the annual report. Wharton stated the annual reports will be mailed on July 13 and ballot packages will drop on July 15. Wharton reminded directors that GVP's video contractor will be on site during the week of the July board meeting to capture footage for the annual report. Martinez asked for a report on the Food Bank of the Rockies campaign. Wharton noted that \$5,095 was raised by GVP and GVP members, exceeding GVP's goal. Wharton also reviewed GVP's efforts to support small businesses that were impacted during the pandemic through a partnership with the Fruita Chamber to develop a shop local, stay local storefront. Walch gave an update on the planned agenda for the virtual annual meeting. Walch shared that Wharton is working on coordinating with the Jack Broughton Scholarship winner to provide an on-camera thank you to the members that would air as part of the virtual annual meeting. Walch noted the theme of the annual meeting will be "RISE", signifying the way that GVP and its members are rising up to meet the new challenges brought on by the coronavirus.

Kanda presented financial reports. Kanda shared that an employment offer was made for the Controller position in hopes that the position would be filled by August 1. Kanda reported that GVP received funding of its Paycheck Protection Plan loan. Walch stated that the funds were deposited into GVP's Citizens State Bank account and those funds would be used to offset losses that GVP incurs as a result of COVID-19. Walch confirmed that the Small Business Administration specifically expanded program eligibility to small business cooperatives. Walch noted the funds will benefit all GVP members by providing assurance that losses beyond the control of GVP associated with COVID-19 will not be passed on to the membership in the form of future rate increases. Walch stated that GVP is striving to do the right thing for its members and the community by participating in and providing any and all forms of economic relief available to help the members and communities we serve through this pandemic.

Elder shared that the deadline for petitions for the election of directors is Monday, June 22 at 5:00 p.m. Elder noted that Mesa County restrictions on the size of gatherings due COVID-19 will preclude the convening of a quorum for the annual meeting. Therefore, it will be necessary to conduct the election via mail balloting even if three or fewer candidates are certified for placement on the ballot. Elder stated the Election Supervisory Committee will be meeting at 9:00 a.m. on Tuesday, June 23 to certify the petitions. Elder stated that all candidates are invited to attend the Election Supervisory Committee's drawing to determine the order of placement on the ballot. The drawing will take place at 9:30 a.m. on June 23. Elder shared that the Electric Vehicle (EV) charging station is operational and available for public use.

Elder provided an Accounts Receivable update. Elder noted that GVP has seen the balance for accounts that are 60-90 days past due stay at a level that is 500% higher than average for the second month in a row. Elder noted that most commercial members who have fallen on hard times continue to communicate with GVP regarding their account balances. Walch shared preliminary plans to explore options to assist members who have been impacted by COVID-19. Walch noted that many families will continue to suffer hardships for several months and asked the board to give general consensus whether staff should move forward with developing plans for relief programs. The general consensus of the board was to move forward with the development of options for residential and commercial relief programs for members impacted by COVID-19. Walch noted that GVP will continue to work with members who have past due balances and stated that staff will provide a timeline for resuming normal business processes – including disconnects and late fees – and present plans for relief programs during the July board meeting.

**MOTION:** Motion by McClaskey second by Martinez to convene an executive session for CEO evaluation and review of the management staff compensation salary ranges; carried.

Executive session convened at 10:20 a.m.

Regular session reconvened at 11:40 a.m.

**MOTION:** Motion by Saunders second by Martinez to accept the CEO performance evaluation and approve a 5% increase for the CEO salary effective January 1, 2020; carried.

**MOTION:** Motion by Martinez second by Spangler to approve the revised management staff salary ranges; carried.

Walch provided a legislative update. Martinez shared a report from Tim Coleman with CREA regarding a HB-1420, which would have eliminated sales tax exemptions and significantly increased the cost of electric generation. Martinez effectively shared with several western slope legislators the crippling impact that this would have on small businesses that are struggling financially due to the pandemic. Martinez reminded directors to contact local legislators and provide input on proposed bills.

Walch noted that staffing updates included the introduction Channell and Archuleta along with the retirement of Fix. Walch stated the board covered the remaining staff updates with the review and approval of the revised management staff salary ranges.

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

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

### III. Allocation of 2019 Margins

Sandeen-Hall indicated that the approval for the allocation of 2019 margins would be moved to the July board meeting.

IV. Review and Approve 2019 Form 990

Sandeen-Hall stated that the review and approval of the 2019 Form 990 would be moved to the July board meeting.

V. Attorney's Report

Kampf shared that his firm has been working with Walch and Wharton regarding the virtual annual meeting. Kampf noted that he and Williams continue to work on the pole attachment agreement with Charter. Kampf stated a phone conference is scheduled tomorrow regarding Charter Communications. Kampf worked with Pogar regarding copyright laws for a gift box that will be sent to scholarship recipients. Mease asked about the status of any negotiations regarding a proposed cell tower on GVP property. Walch noted that the last contract offer did not align with GVP's interest and the negotiations ended.

VI. CREA Report

Martinez highlighted the reduction in dues for the 4<sup>th</sup> quarter that will save GVP \$12,000. Martinez stated the reduction is due to the reduction in operating expenses for CREA since they have been unable to travel and provide in-person visits to the cooperatives. Martinez highlighted the fact that CREA has developed online opportunities for director education courses. Martinez noted that the CREA report was included in the board report.

VII. WUE Report

Haberkorn shared that sales for the month of May totaled \$12.6M which is below average for May. Haberkorn noted that Western United continues to meet budget projections despite a decrease in sales. Haberkorn noted that staff is still working from home or working staggered schedules. Haberkorn shared that WUE received a \$750k PPP loan that will be used to offset losses due to suppliers not making payments to WUE. McClaskey inquired if WUE had a timeline for resuming in-person meetings and normal business operations. Haberkorn shared that WUE is targeting an August timeframe to resume normal business operations.

VIII. Continuing Business

None.

IX. New Business

Haberkorn asked Walch how GVP will track and report the funds used from the PPP loan. Walch noted that the board will be updated as those funds are used.

VanWinkle asked how the virtual annual meeting will be premiered. Walch shared that Wharton is currently evaluating platforms that GVP could use to host the virtual annual meeting. Walch noted that a direct link to the video will be provided to those members who RSVP and that GVP will draw for door prizes for those members that use the link to watch the virtual annual meeting. Walch shared that the video link would be posted to GVP's website beginning on August 7 for members who are unable to watch the video on August 6.

Sandeen-Hall shared a thank you note from Jim O'Connor regarding surgery. Walch reminded directors that GVP will host a retirement luncheon for Sherry Fix on July 6. Walch also shared that the summer picnic will not be held at Suplizio Field on July 30 and alternative plans are being developed.

**MOTION:** Motion by McClaskey second by Haberkorn to adjourn; carried.

Meeting adjourned at 12:30 p.m.

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Derek Elder, Assistant Secretary

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Carolyn Sandeen-Hall, President