

**REGULAR MEETING OF THE BOARD OF DIRECTORS OF GUNNISON COUNTY ELECTRIC ASSOCIATION, INC.:**

The regular meeting of the Gunnison County Electric Association (GCEA) Board of Directors was held on Wednesday, April 29, 2020. Due to the COVID-19 pandemic, active cases in Gunnison County, and public health orders, the Board conducted its meeting remotely via video and audio conference. Instructions for member and guest access to the meeting were included in the electronically posted notice of the meeting on the GCEA website at the following web address: <https://gcea.coop/Board-Agendas-Minutes>

Notice of this meeting was posted Friday, April 17, 2020.

A quorum of a majority of directors was met with all seven directors in attendance. Directors attending were Greg Wiggins, Morgan Weinberg, Bart Laemmel, Tom Carl, Polly Oberosler, and Mark Daily (Districts 1-3 and 5-7, respectively). District 4 Director Michelle Lehmann later joined the meeting at approximately 9:30 a.m. following an unplanned delay.

Attorney David Dodero, Chief Executive Officer Mike McBride, Chief Financial Officer Marcia Wireman, and Chief Operations Officer Roger Grogg, Strategy Execution Specialist Matt Feier, and Executive Assistant Sherry Shelton Booth also attended.

President Bart Laemmel called the meeting to order at 8:59 a.m.

President Laemmel welcomed new GCEA employee, Strategy Execution Specialist Matt Feier, and the meeting guests.

GCEA member guests in attendance from district 3 included Kathy Norgard of the Gunnison Valley Climate Crisis Coalition (GVCCC), Bob Goettge of the Crested Butte South Climate Action Committee, and Laird Cagan also with GVCCC.

**Motion** by Director Tom Carl to accept the April 29, 2020 regular meeting agenda carried.

Director per diems were submitted by electronic mail (email) for Assistant Secretary/Treasurer Greg Wiggins' approval.

CEO McBride spoke to cybersecurity risks related to Zoom software and informed the Board that future, virtual meetings will be conducted using a different platform.

**Consent Agenda**

**Motion** by Director Greg Wiggins to accept the April 29, 2020 consent agenda carried.

Items approved via the consent agenda include: March 25, 2020 regular meeting minutes, Resolution No. 1 – April 2020 GCEA membership for March 2020, and the CEO expense report for March 2020.

There were no work order or special equipment inventories for March.

**Review of 2019 Audit**

Discussion was held regarding the 2019 audit report developed by DeCoria Maichel & Teague, noting details of the clean 2019 audit.

Budget, Finance, and Audit Committee Chair Michelle Lehmann will consult with the audit firm and report to the Board at its regular May meeting.

**Credits to Cash**

CEO McBride presented considerations for reinstating the Credits to Cash program as potential COVID-19 relief for members who have not yet participated in the 2019 program. Discussion followed regarding implementation and promotion of the program.

**Motion** by Director Mark Daily to approve re-opening of the Credits to Cash program effective April 29, 2020 until further notice carried unanimously by the six directors in attendance.

**Motion** by Director Tom Carl to approve a Credits to Cash retirement of \$3,350.19 for two (2) received member requests with a cash payout totaling \$1,195.36 carried unanimously by the six directors in attendance.

**Policy Revision**

CEO McBride reviewed suggested edits for policy A-33 Member Committees and the intent for organizing a collaboration of various climate action advocacy groups within the community as approved by the Board at its February 26 regular meeting.

Upon staff's more in-depth review of policy A-33, it was recognized that a member committee is better suited to individual members who are brought together to make recommendations to the Board rather than various organizations coming together for the purpose of communication and collaboration. Therefore, staff recommends that instead of a member committee, a "GCEA Coalition of Member Climate Action Groups" be formed. Although staff is recommending that the GCEA Coalition of Member Climate Action Groups not be considered as a member advisory committee, staff proceeded with development of needed revisions to policy A-33 for Board approval. Discussion followed inclusive of clarity regarding section II. B. 5. so that an interested party submit application to the Board president, and the nature and frequency of meetings to be held.

**Motion** by Director Mark Daily to approve revisions to policy A-33 Member Committees as presented and with amendment to section II. B. 5. carried unanimously by the six directors in attendance.

*District 4 Director Michelle Lehmann joined the meeting during the economic recovery discussion.*

**Economic Recovery**

President Laemmel expressed appreciation that GCEA is not seeking government funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act Paycheck Protection Program (PPP). CEO McBride concurred, noting that our member businesses have greater need for the funds than GCEA does at this time.

CEO McBride provided ideas of support for consideration and reviewed GCEA financial information including operating margins, the deferred revenue program, a decrease in energy sales, and the increase in delinquent payments. Benchmarking examples were shared, highlighting economic support programs established by other cooperatives in Colorado.

Extensive discussion followed inclusive of anticipated needs and selectivity for options providing the most benefits, applicable to those most in need, and concern for short term decisions later affecting rates.

Attorney Dodero spoke to the prohibition against discrimination and that any offered programs are provided under the context the program is available to the entire membership; legal counsel noted such programs may be analogous to GCEA scholarship program for which every member can apply, but not every member may meet the program's requirements for support.

Pending further staff research regarding various support options discussed, the Board directed CEO McBride to determine what the three food banks in the GCEA service territory project for their needs with the Board's intent to provide financial support directly to these non-profit organizations.

*Kathy Norgard left the meeting at approximately 10:25 a.m.*

**Motion** by Director Tom Carl to donate up to \$50,000 from deferred revenue to three area food banks pending further determination for specific amounts to be distributed for each carried unanimously.

**Monthly Reports: Safety/Loss Control Activity Report**

COO Roger Grogg reviewed the Safety/Loss Control Activity report. He explained that a combination video/phone conference meeting for all employees was held Thursday, March 26. All employees were able to participate. COO Grogg acknowledged appreciation for System Administrator Shane McGuinness for his efforts in establishing employees' abilities to work from home since the onset of local COVID-19 response, leading to Gunnison County public health orders (PHOs), and GCEA's subsequent decision to have the majority of employees work remotely.

CEO McBride reviewed COVID-19 work schedules plans, addressed employees' needs in order to be productive working from home, and explained procedures to access the building. Financial/HR Specialist Paula MacLennan reviewed the Family's First Coronavirus Response Act and explained how it is applicable to GCEA and its employees. System Administrator Shane McGuinness provided a cybersecurity update, detailing safe cybersecurity practices when working remotely and inclusive of a presentation showing examples of phishing emails.

GCEA had no close calls or accidents.

**Motion** by Director Tom Carl to accept the Safety/Loss Control Activity report for April 2020 carried unanimously.

**Monthly Reports: Association Update**

CEO McBride reviewed instructions to employees regarding work practices in response to COVID-19 including PPE requirements, daily screenings, and required self-reporting. He provided a review of current field work and office operations. Linemen are dispatching from home, and along with staking engineers, they are doing limited construction and maintenance projects. A significant increase in locates were triggered by the latest public health order. Meter exchanges are also ongoing.

Additional work update details noted: four employees full-time at headquarters, two employees alternating weeks at headquarters, four employees with limited work time at headquarters (<20%), other employees working from home, office work permitted when needed and approved, after-hours access with protocols for needed items, and twice-a-week cleaning procedures at headquarters.

Cost control measures were discussed with the notation that 75% of GCEA expenses are fixed costs. CFO Wireman provided an economic outlook, citing March sales impact of a 5% decrease for half month translates to an estimated 10% for full month. Variables such as weather and recession factors were discussed.

CEO McBride advised of receipt of solar panels onsite for the headquarters project; construction is to begin mid-May. GCEA filed application for the project as the first to utilize Tri-State's newly created 119 policy.

CEO McBride led discussion regarding the GCEA practice to submit not-required filings with the Colorado PUC. GCEA has continued the non-required practice of submitting rules and regulations to the PUC for informational filing purposes. The PUC formatting process is time consuming. GCEA staff advocates for sharing of these rules and regulations directly with members by posting on the GCEA website.

CEO McBride led discussion regarding a request from Tri-State to sign a letter of support in regard to the TS Responsible Energy Plan (REP), FERC regulation, and Tri-State's partial requirements methodology.

Discussion followed. GCEA support is theoretical at this point until further information is received regarding all three Tri-State points.

*Laird Cagan left the meeting at approximately 11:25 a.m.*

### **Member Comments**

Comments from an agitated seasonal resident were relayed to the Board. Discussion followed.

### **Monthly Reports: Financial Review**

CFO Wireman addressed financial impacts related to the COVID-19 pandemic including trends in aged accounts receivables.

CFO Wireman reviewed financial highlights including March 2020 kWh sales and purchases, average monthly load factor, operating revenue, cost of purchased power, operating expenses, depreciation and interest expenses, and operating margins.

CFO Wireman addressed financial uncertainty due to the ongoing pandemic, noting the following facts: budgeted minimal 2020 operating margins are \$43,000 less than budgeted year-to-date operating margins as of March; and, March 2020 past due accounts increased by 77% over last year.

*Bob Goettge left the meeting at approximately 11:40 a.m.*

### **Monthly Reports: Operations Update**

COO Grogg provided the reliability review for March 2020 and explained interruption causes for the month.

Drone patrol summary and data for the over 7,000 collected images were shared. Approximately 1% of inspected infrastructure is identified as critical for repair. The report indicates the majority of our remote lines are well maintained with need for limited attention.

COO Grogg reviewed March load profile graphs inclusive of GCEA's monthly power bill and load statistics. Loss of business due to the COVID-19 impact was reflected in historical comparison statistics.

### **Affiliated Organizations and Committee Reports**

**Attorney** David Dodero reviewed items he had worked on in the previous month including the operating agreement with the Uncompahgre Valley Water Users Association (UVWUA) and our joint Taylor hydro project, COVID-19 effects on GCEA governance issues, net metering tariff revisions, various GCEA form agreements, pole attachment negotiations, Families First Coronavirus Response Act (FFCRA) evaluation, OSHA requirements and GCEA's obligation to meet these during the pandemic, analysis in terms of information that can be requested of employees regarding their health situation in response to COVID-19, guest attendance at Board meetings, PUC filing requirements, and a completed easement agreement with a district 3 state entity.

Mark Daily reported on **Tri-State** (TS) activities and referenced Board packet materials highlighting recent events. He cited additional information in the Board materials including a process flow chart developed by the contract committee as a guide for member systems seeking to end contract obligations with Tri-State, the recently developed certificate of TS membership, April meeting highlights, and a recent press release. Mark noted that the typically held April annual meeting for TS is rescheduled for August 5-6. FERC and PUC matters remain ongoing. Discussion followed.

Tom Carl reported on **CREA** activities and various legislative matters. He advised that CREA's May 29 meeting will be a web conference format and June's will likely also be held in a virtual format. CREA is issuing financial credit for in-house safety support not received due to COVID-19 restrictions. Tom reported on Senator Cory

Gardner's webinar presentation and his report of federal funding for rural hospitals and livestock producers. Three bills that affect electric utilities were recently signed by Gov. Jared Polis, including one on wildfire mitigation.

Tom Carl reported on **WUE** activities noting construction continues on pace and materials continue to be purchased. The new building at Brighton headquarters is completed with hopes that WUE will soon obtain its certificate of occupancy, though pandemic restrictions limiting county staff access may result in a temporary COC.

CFO Wireman and CEO McBride gave a **Paradigm** update, reporting Paradigm having granted a 90-day deferral on payment and interest accruing on a note receivable.

### **Directors Miscellaneous**

CEO McBride advised that, upon Attorney Dodero's review, GCEA must have a June annual meeting as set forth in the GCEA bylaws, and the staff and Board will further discuss and decide the format.

### **Scheduling of Meetings and Events**

1. Wednesday, **May 27, 2020** Regular Board Meeting (Convenes at 9:00 a.m.)
2. Tuesday, **June 23, 2020** Regular Board Meeting (Convenes at 9:00 a.m.)
3. Tuesday, **June 23, 2020** Annual Meeting (Convenes at 6:00 p.m. / Registration at 5:00 p.m.)

### **Adjournment**

**Motion** by Director Tom Carl to adjourn the Gunnison County Electric Association Regular Board Meeting held on April 29, 2020 carried unanimously. There being no further business before the Board, President Bart Laemmel adjourned the meeting at 1:00 p.m.

Submitted by Executive Assistant Sherry Shelton Booth.

/ Bart Laemmel /

President

Date Approved: May 27, 2020

/ Michelle Lebmann /

Secretary/Treasurer