

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, February 26, 2020 at the GCEA headquarters located at 37250 W U.S. Highway 50 in Gunnison, Colorado.

A quorum of a majority of directors was met with six of seven directors in attendance. Directors attending were Greg Wiggins, Morgan Weinberg, Bart Laemmel, Michelle Lehmann, Tom Carl, and Mark Daily (Districts 1-5 and 7, respectively). District 6 director Polly Oberosler was absent due to a personal matter.

Notice of this meeting was posted Friday, February 14, 2020. On the day of the Board meeting, the agenda was amended to accommodate member guests and include an action item regarding a correction to Resolution No. 2 – January, and also inclusion of discussion and possible action for 2019 Revenue Deferral.

Attorney David Doder, Chief Executive Officer Mike McBride, Chief Financial Officer Marcia Wireman, Chief Operations Officer Roger Grogg, and Executive Assistant Sherry Shelton Booth also attended.

Member Relations Supervisor Alliy Sahagun and Communications and Outreach Coordinator Logann Long attended for an early portion of Board business regarding the scholarship program.

President Bart Laemmel called the meeting to order at 9:00 a.m.

Motion by Director Tom Carl to accept the February 26, 2020 regular meeting agenda as amended carried unanimously.

Director per diems were submitted for Secretary/Treasurer Michelle Lehmann's approval.

Five GCEA members and one guest who were representing the recently formed Gunnison Valley Climate Crisis Coalition were in attendance including: Michael Glaser (D4), Frank Stern (D1), Sonda Donovan (D3), Randy Swift (D1), Jeff Delany (D1), and Keriann Conroy (We Own It Fellow).

Jeff Delaney of District 1 addressed the Board. His questions regarding GCEA power supplier Tri-State Generation & Transmission (TS) were deferred to TS Director Mark Daily. Director Daily explained that TS is primarily adding wind and solar production to its portfolio mix while retaining natural gas production as coal generation is being phased out. With plans for 2GW of renewables, there is as of yet no storage capability for such large production.

Frank Stern of District 1 addressed the Board. He expressed appreciation for GCEA's participation with the community and acknowledged that while TS is making positive steps, concerned citizens would like to see more accelerated action. Mr. Stern asked about alternative power suppliers, and President Laemmel led the responding discussion noting that GCEA has kept its options open, looking at what other cooperatives are doing, revisiting our research, and continue to support the progressive changes at TS. Further discussion followed.

Consent Agenda

Discussion prior to action on the consent agenda included Mark Daily's clarification that a prior member request regarding renewable production on the member's property had been relayed to our power supplier.

Motion by Director Mark Daily to approve the February 26, 2020 consent agenda carried unanimously.

Items approved via the consent agenda include: January 22, 2020 regular meeting minutes, Resolution No. 1 – February 2020 GCEA membership for January 2020, December 2019 Work Order inventories #s 639-640, January 2020 Work Order inventory # 641 and related special equipment for January 2020, and the CEO expense report for January 2020.

The December 2019 net-to-plant total was \$211,833 and the 2019 yearend/year-to-date net-to-plant total was \$931,883 through December 2019. There was no special equipment and labor cost for the month of December 2019. The year-to-date special equipment and labor cost through December 2019 is \$369,899.

The January 2020 net-to-plant total was \$48,419 and the year-to-date net-to-plant total is the same through the end of the first month of the year 2020. Special equipment and install costs for the month of January 2020 was \$31,950. The year-to-date special equipment and install costs through January 2020 reflects the same balance.

Scholarship Committee Report

Scholarship Committee Chair Greg Wiggins asked Logann Long to present the 2020 scholarship recommendations.

There were 81 eligible applicants for 2020, 37 of which were new applicants with 44 returning applicants. Logann Long explained staff methodology and changes to the program criteria as previously approved by the Board. Board and staff clarified how the scholarship program is funded and Logann answered additional fiscal questions. Discussion followed.

District 1 member and We Own It Fellow Patrick Church joined the meeting at approximately 9:50 a.m.

Motion by Director Tom Carl to approve total scholarships to be awarded in the amount of \$66,500 as presented, including one \$1,000 scholarship from Basin Electric and one \$1,000 scholarship from Tri-State, carried unanimously.

Motion by committee member Tom Carl to approve the February 19, 2020 Scholarship Committee minutes carried unanimously.

Employee Recognition

CEO McBride recognized Member Relations Supervisor Alliy Sahagun and Communications and Outreach Coordinator Logann Long for Division 1 CREA Newsletter awards they received.

Employee guests left the meeting at approximately 9:55 a.m. Town of Crested Butte staff Mel Yemma and Rob Zilliox later joined at approximately 10:05 a.m.

Solar Project Consultant

CEO McBride presented a proposal for contracting a consulting service to assist with identifying potential solar array sites. Discussion followed.

Motion by Director Mark Daily to approve creation and distribution of a request for proposal for consulting services for site selection for a local solar project with the consultant to be selected by the Board carried unanimously.

Climate Action Committee

CEO McBride spoke to the increasing amount of community groups GCEA tries to work with who have overlapping goals, specifically around climate action. In an attempt to manage demands on employees, staff suggests development of a member committee, as allowed per policy A-33 Member Committees of the Board of Directors. Discussion followed.

Motion by Director Michelle Lehmann to approve establishment of a member advisory committee on climate action carried unanimously.

EV Home Charger Program

CEO McBride reviewed GCEA's current electric vehicle (EV) home charger program which requires time of use (TOU) rate participation and offers a \$500 rebate on home chargers with half of the rebate coming from Tri-State.

He highlighted aspects of a revised program developed by staff in which GCEA would give members a free charger. Instead of requiring participation in TOU rates, we would require the member to connect their charger to our network. Brief discussion followed.

Motion by Tom Carl to approve a "Charge at Home" pilot program with a free EV charger provided to participating members in return for network access to their charger and data regarding their charging history.

Initial member guests (GVCCC) left the meeting at 10:30 a.m.; Mr. Church stayed to observe further business and Crested Butte Town staff remained present for the following action item.

Net Metering Limits

Town of Crested Butte staff, Planner Mel Yemma and Finance and Human Resources Director Rob Zillioux, were present for discussion regarding net metering system policy and the Town's project related to such. Ms. Yemma spoke to changing the initial aggregated meter proposal to a new design. She updated the Board of the Town's process.

CEO McBride reviewed Colorado law versus GCEA policy for which GCEA meets or exceeds minimum requirement limits designated by the state. Graphs were presented to demonstrate net metering margins. Staff presented three options for Board consideration. Extensive discussion occurred throughout the presentation inclusive of various financial calculations and demand components. CEO McBride spoke to the consideration that net metering is not financially sustainable under the current rate design. GCEA will include language in its net metering application to advise of potential for future rate structure changes.

Motion by Director Greg Wiggins to approve a change in the net-metering tariff to allow a net-metered generation facility at each meter carried unanimously.

Town of CB guests left the meeting at approximately 11:30 a.m.

Budget Adjustment Request

COO Roger Grogg presented a proposal to contract for a drone line patrol service in support of reliability and fire mitigation. Roger presented pricing and contract options. Discussion followed inclusive of examples of the contractor's analyzing services and imagery retention.

Motion by Director Tom Carl to approve a three-year contract with Visual Online Lineman Team to patrol our entire system and a 2020 budget adjustment of \$51,000 carried unanimously.

Correction of Resolution No. 2 – January 2020

CFO Wireman explained a typo found in the Board's previously approved Resolution No. 2 – January 2020 regarding amendments to the 2016, 2017 and 2018 Revenue Deferral Plan. Discussion followed.

Motion by Greg Wiggins to approve Resolution No. 2 - February 2020, correcting Resolution No. 2 – January 2020, carried unanimously.

Deferred Revenue

CFO Wireman explained this discussion and possible action on 2019 deferred revenue for having been left off the original agenda and attorney's counsel to conduct a special meeting to be held prior to the March 10 scheduled audit. The Board will conduct a special meeting March 9 via conference call to take action on this matter.

Power Supplier Representation

Attorney David Dodero took the floor and led discussion regarding the annual election for the Tri-State (TS) director. Discussion followed with Board consensus in support of Director Daily's continued representation and appreciation for his outstanding service.

Per policy A-5 Election of Officers and Nomination, Election and Appointment of Official Representatives of the Board of Directors, the representatives for Tri-State were elected by acclamation as follows: Tri-State Director: Mark Daily; Tri-State Voting Delegate for Annual & Special Meetings: Mark Daily; and Alternate Delegate for Tri-State Annual & Special Meetings: Mike McBride.

Member Medical Needs

CEO McBride led discussion for suggestions from Federated Rural Electric Insurance Exchange regarding members' medical risks. GCEA attorney Dodero provided further counsel and noted that GCEA has a procedure for mitigating such risks. Discussion followed. GCEA staff will further research options to present to the Board.

GCEA employees joined the Board for lunch.

Monthly Reports: Safety/Loss Control Activity Report

COO Roger Grogg reviewed the Safety/Loss Control Activity report. He noted that an all-employee safety meeting was held Monday January 30, 2020 which included an association update from CEO McBride, a cybersecurity update from System Administrator Shane McGuinness, and a wellness update from program coordinator and Accounting Assistant Cindy Wells. Additional training for all employees included first aid, CPR and AED refresher training as provided by CREA's Dan Whitesides.

Additional training for the operations group included winter survival training and inspections for fire extinguishers, hot sticks, ground chains, ladders and harnesses. The office group covered topics regarding the successfully completed C2C program, green power charges applied for the Town of CB program, completion of audit preparation, and that the record retention committee is focusing on goals to prioritize protected information.

Reported close calls and accidents included two reports of hazardous winter driving conditions, a lineman rolled his ankle getting out of the bucket truck, a lineman cleaning up glass got a sliver stuck in his finger, a lineman had a hot elbow flash over, and a sugar stick on an anchor was unwrapped prematurely.

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

Monthly Reports: Association Update

CEO McBride led a review of association and industry updates including the Colorado Air Quality Control Commission (AQCC) greenhouse gas reporting rule, a Colorado Solar & Storage Association (COSSA) conference, and the strategy execution specialist position. Discussion occurred throughout Mike's report.

Member Comments

Member comments relayed to the Board included a positive response to TS changes and a member frustrated by SmartHub's credit card procedure; after assisting him, the member did say that GCEA employees are nice and always willing to help.

Monthly Reports: Financial Review

CFO Wireman reviewed financial highlights for December's 2019 draft report and for January 2020. CFO Wireman reported that independent auditors are expected March 10-13.

CFO Wireman reviewed yearend financials inclusive of operating revenue, cost of purchased power, average monthly load factor, operating expenses and margins, depreciation and interest expenses, and total margins.

Vice President Tom Carl chaired the remainder of the meeting as President Laemmel had to leave at approximately 1:45 p.m. for a personal commitment.

CFO Wireman reviewed January 2020 kWh sales and purchases and noted revisions made to patronage capital and operating margins.

Monthly Reports: Operations Update

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

COO Grogg reviewed January load profile graphs inclusive of GCEA's monthly power bill and load statistics.

Affiliated Organizations and Committee Reports

Attorney David Dodero reviewed items he had worked on in the previous month including CPW easement concerns, continuing net metering review, matters concerning the deferred revenue plan, and liability regarding outages. A recent decision affecting San Isabel Electric Association was discussed.

Mark Daily reported on **Tri-State** (TS) activities including Federal Energy Regulatory Commission (FERC) regulatory status, an update on Regional Transmission Organization (RTO) activities, and the contract committee recommendation for additional self-generation and its related resolution. Discussion followed inclusive of the contract committee recommendation.

As explained by Mark Daily, TS seeks carbon reduction legislation in the 2020 session to solidify targets in the Responsible Energy Plan. He also spoke TS having requested a joint effort of former Colorado Governor Bill Ritter and Colorado State University's Center for the New Energy Economy (CNEE) to organize and convene a stakeholder engagement process. This

CNEE-led advisory group of 16 individuals and the Colorado PUC as an observer represent a cross-section of shared interest in TS and the group helped develop the TS Responsible Energy Plan (REP).

Additional TS business reviewed by Mark included the thermal assets mix, renewable generation, and natural gas prices.

Tom Carl reported on **CREA** activities and various legislative matters including continuing discussion regarding the debate for RTO legislation.

Tom spoke reported on the CREA annual meeting that he, Michelle Lehmann, and CEO McBride attended.

Tom Carl reported on **WUE** activities and reported on development of increased warehouse storage to serve more of Utah and Nevada.

Directors Miscellaneous

Member Patrick Church thanked the Board for their efforts and spoke to bridging the gap among various advocacy groups. He expressed intentions to network in coordination with similarly minded citizen groups to promote the March 12 Co-op Conversation in Crested Butte.

Mr. Church reported having recently been at the State capitol to advocate for the Western Slope and spoke to legislation that can benefit GCEA. He relayed Colorado representatives' positive support for progressive GCEA ideas.

Scheduling of Meetings and Events

1. Monday, **March 9, 2020** Special Board Meeting (*via conference call*; convenes at 10:00 a.m.)
2. Thursday, **March 12, 2020** Board and Member Forum in Crested Butte (6:00 p.m.)
3. Wednesday, **March 25, 2020** Regular Board Meeting (Convenes at 9:00 a.m.)
4. *Tentative* Wednesday, **April 29, 2020** or Friday, **May 1, 2020** to serve as April's Regular Board Meeting (Convenes at 9:00 a.m.)
5. Wednesday, **May 27, 2020** Regular Board Meeting (Convenes at 9:00 a.m.)
6. Tuesday, **June 23, 2020** Regular Board Meeting (Convenes at 9:00 a.m.)
7. Tuesday, **June 23, 2020** Annual Meeting (Convenes at 6:00 p.m. / Registration at 5:00 p.m.)

Adjournment

Motion by Director Michelle Lehmann to adjourn the Gunnison County Electric Association Regular Board Meeting held on February 26, 2020 carried unanimously. There being no further business before the Board, Vice President Tom Carl adjourned the meeting at 3:25 p.m.

Submitted by Executive Assistant Sherry Shelton Booth.

/ Bart Laemmel /
President

/ Michelle Lehmann /
Secretary/Treasurer

Date Approved: March 25, 2020