

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, March 25, 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, March 13, 2020. The agenda was amended to include an executive session regarding a contract matter.

A quorum of a majority of directors was met with all seven directors in attendance. Directors attending were Greg Wiggins, Morgan Weinberg, Bart Laemmel, Michelle Lehmann, Tom Carl, Polly Oberosler, and Mark Daily (Districts 1-7, respectively).

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

President Bart Laemmel called the meeting to order at 9:06 a.m.

Motion by Director Tom Carl to accept the March 25, 2020 regular meeting agenda as amended carried unanimously.

Director per diems were submitted by electronic mail (email) for Secretary/Treasurer Michelle Lehmann's approval.

Consent Agenda

Motion by Director Mark Daily to accept the March 25, 2020 consent agenda carried unanimously.

Items approved via the consent agenda include: February 26, 2020 regular meeting minutes, Resolution No. 2 – March 2020 GCEA membership for February 2020, February 2020 Work Order inventory # 642 and related special equipment for February 2020, and the CEO expense report for February 2020.

The February 2020 net-to-plant total is \$119,386 and the 2020 year-to-date net-to-plant total is \$167,806 through February 2020. Special equipment and labor cost for the month of February 2020 is \$195,092. The year-to-date special equipment and labor cost through February 2020 is \$227,042.

Special Meeting Minutes

Motion by Director Tom Carl to approve the March 9, 2020 special meeting minutes carried unanimously.

Net Metering Tariff

CEO McBride led discussion regarding net metering tariff revisions as previously reviewed by the Board. Intent for the specific meaning of the words for service, location, site, and meter and clarification for their usage in the tariff was discussed as was applicability of the contiguous property provision. An additional tariff could be developed to address other circumstances.

Motion by Director Mark Daily to accept revisions to Tariff Sheet 11.0 as presented with amendments carried unanimously.

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 Thursday, February 27, 2020 which included an association update from CEO McBride, a cybersecurity update from System Administrator Shane McGuinness, Roger Grogg's review of the safety improvement plan (SIP) and advisement of the approved contracting for drone patrol of infrastructure, traction footwear availability and advice for walking in winter conditions offered by safety committee chair and Staff Engineer Bruce Stephens, and a wellness update from program coordinator and Accounting Assistant Cindy Wells.

Additional training for the operations group included Line Superintendent John Stoeber reporting on more frequent CDL drug and alcohol testing and his review and training for the crane and derrick testing required for linemen performing certain functions.

Additional training for the office group included a demonstration by Billing Assistant Sarah Taramarcaz for functions of the meter data management (MDM) tool in NISC software and a presentation by Member Relations Supervisor Alliy Sahagun on the Five Languages of Appreciation in the Workplace.

GCEA had no close calls or accidents for February; a statewide review of close calls was reported during the operations portion of their safety meeting.

Recognition for the work anniversary for GIS Administrator and 25-year employee Erica Soerensen was noted by management.

Mark Daily requested that the MDM demonstration provided to the GCEA office personnel be shared with either the full Board or its technology committee. The technology committee includes Chair Bart Laemmel and members Polly Oberosler and Morgan Weinberg.

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

Monthly Reports: Association Update

CEO McBride led a review of association and industry updates including temporary suspension for service disconnections, Gunnison County's economic task force (ETF), the current employee work-from-home practice with limited in-house staffing and the future transition back to normal employee work routines, and board meeting scheduling.

Discussion followed each topic inclusive of extensive dialogue regarding concerns for the COVID-19 economic impact on our members, the GCEA employees' interaction with members concerned with this issue, and staff development of cost mitigating factors, programs for assistance, and efforts in conjunction with GCEA's participation with the Gunnison County ETF for which GCEA is involved with an ETF subcommittee.

CEO McBride explained the limited number of in-house employees and their in-house isolation and disinfection practices. These employees include one member service specialist answering phones, one IT department employee, one billing assistant, one mechanic, and two accounting assistants who are working alternating weeks in their department. Linecrews are working in rotating on-call shifts and remain available for any needed outage response. Additional remote work duties such as line patrol and job staking may be incorporated in the coming weeks.

GCEA bylaws and internal policy A-18, revised October 2018, provide guidance for the scheduling of regular monthly Board meetings for which quorum and attendance requirements are defined. Discussion followed in regard to the practice for conducting such meetings on the last Wednesday of each month when possible. Current bylaws cite in Article IV, 6., "A majority of the number of Directors in office immediately before a Board meeting begins shall constitute a quorum, etc.," and in Article III, 10.B., "A Director shall attend at least two-thirds (2/3) of all Board meetings during any twelve (12) month period, unless excused for good cause by the Board.

Member Comments

Member comments relayed to the Board included response to GCEA's social media posting regarding suspension of service disconnections during this time of COVID-19 related work closures.

Monthly Reports: Financial Review

CFO Wireman addressed financial impacts related to the COVID-19 pandemic noting concerns based on early reported statistics and historical trends, and she also cited positive factors including GCEA's equity, deferred revenue plan, and that GCEA is entering into a time period during which kWh sales are generally lower in April through September. Aspects of the Families First Coronavirus Response Act (FFCRA) were also discussed.

Items previously budgeted for GCEA in 2020 that will be delayed or canceled due to the pandemic include potential slowdown in GCEA construction projects, disruption in the supply chain, reduced travel and associated expense, and cancellation of the planned member survey. A significant increase in online meetings is predicted, possibly continuing after the current public health orders are relaxed.

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

Monthly Reports: Operations Update

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

COO Grogg reviewed February 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 preparations for the March 9 special Board meeting, policy A-33 edits, evaluation of open meeting statute in regard to creating accessibility for members when GCEA Board may be required to conduct virtual meetings, electronic signatures for director candidate petitions, a component of the Lake City franchise agreement, and preparations for developing a limited liability company (LLC) with the Uncompahgre Valley Water Users Association (UVWUA) and our joint Taylor hydro project.

Mark Daily reported on **Tri-State** (TS) activities including the Federal Energy Regulatory Commission (FERC) decision to accept jurisdiction over TS for its tariffs, "ensuring consistent wholesale rate regulation for the cooperative's member distribution utilities across four states."¹ FERC is not claiming jurisdiction over member exit fees; this remains the Colorado Public Utility Commission's (PUC) responsibility. PUC business is currently suspended due to the coronavirus. TS has requested that La Plata Electric Association and United Power suspend their complaints to the PUC to allow the contract committee to complete its work.. Mark also noted that former Holy Cross Energy director and chair Megan Gilman has been appointed to the PUC three-person panel.

Mark reviewed two new TS resolutions relating to the establishment of additional membership classes and development of potential self-supply requirements. He also spoke to a review of safety performance and impact for coal plant employee concerns, inclusive of incident rates and trends. Mark noted that like GCEA, TS takes safety seriously. Mark acknowledged the TS receipt of the Superior Safety Performance award from the National Safety Council and emphasized the significant recognition.

Mark addressed TS strategic financial planning and its long-term financial forecasting (LTFF). His review included Responsible Energy Plan (REP) assumptions and its impacts on LTFF, projected power purchases, capital expenditures, and renewable expansion plans.

¹Retrieved March 31, 2020 from <https://www.tristateg.org/ferc-accepts-tri-state-rate-filings-cooperatives-board-approves-greater-member-contract-flexibility>

Tom Carl reported on **CREA** activities and various legislative matters, noting that the state legislature is in recess and a shortened legislative session is likely due to the COVID-19 pandemic.

Tom also reported on the **NRECA** annual meeting he attended in early March, noting adoption of five resolutions that include electric vehicle policy support and to support, but not compel, electric cooperatives to invest in the telecommunications industry.

Tom Carl reported on **WUE** activities. He reported that for the first time in many years the organization did not meet budget projections and much of the staff are working remotely due to COVID-19. WUE's increased inventory and distribution preparation plans were discussed and with reference to previously supplied reports in the Board's packet materials.

CFO Wireman and CEO McBride gave a **Paradigm** update. A request of final payment for one account receivable has been sent and a request to have a bank buyout a note that Paradigm is currently carrying has not yet been initiated.

Directors Miscellaneous

Executive Assistant Booth advised of electronic director candidate packet and petition materials available on the GCEA website which also provides additional information for candidacy assistance. Attorney David Dodero will research and advise of options regarding annual meeting postponement or an altered format and election procedures. Historically, GCEA receives the vast majority of votes by mail-in ballots with relatively few ballots cast in-person prior to the annual meeting.

Scheduling of Meetings and Events

1. Wednesday, **April 29, 2020** Regular Board Meeting (Convenes at 9:00 a.m.)
2. Wednesday, **May 27, 2020** Regular Board Meeting (Convenes at 9:00 a.m.)
3. Tuesday, **June 23, 2020** Regular Board Meeting (Convenes at 9:00 a.m.)
4. Tuesday, **June 23, 2020** Annual Meeting (Convenes at 6:00 p.m. / Registration at 5:00 p.m.)

Executive Session

Motion by Director Michelle Lehmann, second by Tom Carl, to enter executive session at 12:15 p.m. to discuss contract negotiations carried unanimously.

Motion by Director Mark Daily, second by Greg Wiggins, to exit executive session at 12:44 p.m. carried unanimously.

Adjournment

Motion by Director Michelle Lehmann to adjourn the Gunnison County Electric Association Regular Board Meeting held on March 25, 2020 carried unanimously. There being no further business before the Board, President Bart Laemmel adjourned the meeting at 12:45 p.m.

Submitted by Executive Assistant Sherry Shelton Booth.

/ Bart Laemmel /
President

/ Michelle Lehmann /
Secretary/Treasurer

Date Approved: April 29, 2020

APPROVED