

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, January 24, 2018 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 all seven directors in attendance. Directors attending were Greg Wiggins, Chris Morgan, Bart Laemmel, Michelle Lehmann, Tom Carl, John Vader, and Mark Daily (Districts 1-7 respectively).

Notice of this meeting was posted Friday, January 12, 2018.

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

President Greg Wiggins called the meeting to order at 9:03 a.m.

**Motion** by Director Michelle Lehmann to accept the January 24, 2018 regular meeting agenda carried unanimously.

Director per diems were submitted for Secretary/Treasurer John Vader's review.

**President's Comments**

President Wiggins appreciated the Tri-State executive staff and GCEA Board meeting and the key account meeting both held January 23.

**Consent Agenda**

**Motion** by Director Bart Laemmel to approve the January 24, 2018 consent agenda carried unanimously.

Items approved via the consent agenda include: December 20, 2017 regular meeting minutes; Resolution No. 1 – January 2018 GCEA membership for December 2017; and the CEO expense report for December 2017.

**Business Insurance**

CEO Mike McBride presented information regarding GCEA's insurance policy with Federated Rural Electric Insurance Exchange and recommended Board approval for coverage. Per policy A-3 Delegation of Authority from the Board to the CEO, Mike is responsible for determining insurance coverage. Mike spoke to his belief that the Board should have some role in general insurance coverage decisions. He relayed the current plan in place for the Board's awareness. Discussion included attorney and CFO input. Mike spoke to additional optional coverage. Further discussion followed.

**Motion** by Director John Vader to approve the existing overall limits of liability for GCEA's Property, General Liability, and Directors, Officers, and Managers insurance coverage carried unanimously.

**2017 Write-offs**

CFO Marcia Wireman reported on the 2017 write-off amount and the staff's procedure in attempts for collection of payment. The write-off amount percentage compared to operating revenue is 0.056%. Factors contributing to inability to collect were discussed. Discussion followed inclusive of legal aspects and policy changes to address additional deposit collection based on usage patterns.

**Motion** by Director Tom Carl to approve the write-off of uncollectible accounts for the year 2017 in the amount of \$10,020.16 carried unanimously.

**Joint Meeting with Power Supplier**

The entire GCEA Board and executive team, CEO Mike McBride, CFO Marcia Wireman, and COO Roger Grogg, met with four members of Tri-State Generation and Transmission: CEO Mike McInnes, Senior VP Energy Management Brad Nebergall, Senior VP Transmission Joel Bladow, and Senior VP Member Relations Jennifer Goss at GCEA headquarters

on January 23, 2018. Topics discussed included: regional transmission organization (RTO), TS policies 115, 117 and 118 and other distributed generation, TS's renewable portfolio, prior TS member buyout, and Lake City reliability.

The general consensus is appreciation for the TS association and professionalism and that the TS presentation provided important clarification. Discussion followed.

At the conclusion of the joint meeting, President and District 1 Director Greg Wiggins, District 2 Director Chris Morgan, District 7 Director Mark Daily, Mike McBride, Jennifer Goss, and Brad Nebergall met with staff of a key account.

### **Crew Jobsite Safety**

COO Roger Grogg provided a safety presentation for crew visit protocol. Recommendations include: do not startle crews by honking or beeping your horn; if you do stop to visit, know that the crews enjoy explaining the job they are working on and appreciate your interest; while on a jobsite, please find a safe space to park and do not enter the work zone; stay at a safe distance and get the attention of the foreman; and ask questions to understand what the crew is doing.

Sample questions for the crew might include if this is an emergency situation, if you may read the job briefing, what is energized, and what personal protective equipment (PPE) is being worn and why.

Roger noted that members of the public often stop at a jobsite during an outage. He suggested that directors who may wish to work with a crew for a day could be welcome to do so and GCEA could help acquire necessary PPE.

Roger reported on recent Journeyman testing results and explained the 4-hour, 306 questions written test is followed by an oral test. In the future, Roger may select a handful of questions to share with directors as a sample. Discussion followed.

### **Board Policy, Rules and Regulations, and Bylaws Committee Report**

Board Policy, Rules and Regulations, and Bylaws Committee Chair Chris Morgan took the floor to conduct committee business and report on the committee's progress. Discussion followed inclusive of means of distribution to members for bylaws revisions. Attorney David Doderio confirmed amended bylaws must be mailed as stated in the current form of the bylaws. The schedule for the intended purpose of accepting the amendments prior to a potential contested election is due to the bylaws language regarding a ballot's required secrecy sleeve in order for the ballot to be counted; however new state law effective August 2016, indicating the lack of secrecy sleeve does not invalidate the ballot, supersedes the bylaws and is reflected in policy A-39 Voting and Elections, revised November 2016.

Discussion followed inclusive of CEO McBride's suggestion GCEA first mail to all members, as required, amendments for Article VIII – Amendment of Bylaws. Amendments to Article VIII would allow for other, more affordable means of notification and member access to amendments. This approach results in significant cost savings with respect to further amendments to bylaws. Extensive discussion inclusive of language, means of availability, and a message for member awareness followed. Newspaper, email notice, other electronic access, and multiple means to request a hard copy of bylaws were discussed.

The Board consensus is to first amend this one section regarding how bylaws are amended and to communicate with members the reason for this approach and that additional amendments will be forthcoming. Attorney and CEO were directed to proceed with this change.

### **Executive Sessions: Contract Matters**

**Motion** by Director Bart Laemmel, second by Michelle Lehmann to enter executive session at 10:45 a.m. to discuss a contract proposal carried unanimously.

Executive team members Mike McBride, Marcia Wireman, and Roger Grogg participated in discussion; Sherry Booth was in partial attendance.

**Motion** by Director John Vader, second by Michelle Lehman to exit executive session at 11:05 a.m. carried unanimously.

**Motion** by Director Chris Morgan, second by Tom Carl to enter executive session at 11:05 a.m. to discuss a contract proposal carried unanimously.

Executive team members Mike McBride, Marcia Wireman, and Roger Grogg participated in discussion; Sherry Booth was in attendance.

**Motion** by Director Tom Carl, second by Mark Daily to exit executive session at 11:50 a.m. carried unanimously.

### **Employee Recognition**

Two employees were asked to join the Board at 11:55 a.m. for education recognition.

Financial/HR Specialist Paula MacLennan received Leadership Development Program certification from the Fort Collins based Peak Solutions in conjunction with CREA. Paula detailed the extensive training, topics, and project she completed for this course.

Line Superintendent John Stoeber was recognized for completion of coursework for Certified Loss Control Professional (CLCP) certification from University of Wisconsin-Madison through its School of Business in conjunction with National Rural Electric Cooperative Association (NRECA).

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

As noted in the Board's packet of meeting materials, there is no safety report for January.

### **Monthly Reports: Association Update**

CEO Mike McBride provided an association update on topics including: Rocky Mountain Institute (RMI) proposal; key account and power supplier meeting; analysis of low usage accounts; community fiber; and the 2018 DC Youth Tour/Camp.

Discussion followed each report from CEO McBride.

### **Monthly Reports: Member Comments**

CEO Mike McBride reported on member feedback including a positive energy audit response; a large volume of calls from members recognizing patronage capital retirement significantly offsetting amounts owed on their active accounts; and an astute observation that energy audit upgrades will lead to less usage and therefore lead to decreased capital credits. One member relayed "appreciation for GCEA always working on ways to benefit members."

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

CFO Marcia Wireman noted 2017 yearend financial reports are being prepared, and she explained November 2017 financial highlights including kWh sales and purchases. Marcia reviewed base ratios for 2012-2016, comparing, sales, total plant, number of employees, and miles of line. Discussion followed inclusive of aged accounts receivable figures and comparison of operating margins versus the budget estimate.

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

COO Roger Grogg provided the reliability review for December 2017 and explained interruption causes for the month. Yearend graphs and historical comparisons were also reviewed. The 2016 yearend average hour per consumer (AHPC) was 2.8194 and for 2017 the yearend AHPC is 1.7297.

Roger reviewed December load profile graphs and explained the historical comparisons and graphs provided by engineering staff. Discussion followed.

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

John Vader reported on **CREA** activities including legislative matters.

John Vader reported on **WUE** activities, financials, and the headquarters expansion.

*John Vader was excused at 2:30 p.m. due to a GCEA business obligation.*

David Dodero provided an **Attorney** report, noting his work on employing housing loan documentation, reimbursement agreements for PTO and floating holidays, weatherization services contract, homeowner participation agreement regarding WSCU load control pilot program, Hinsdale County line extension agreement, the North Fork Coal Mine Working Group contract, and extensive review of bylaws.

Chris Morgan gave a brief update on **Tri-State** (TS) noting strategic planning results, recent financials, and a significant interruption in service.

CEO McBride relayed a **Paradigm** update, reporting on a scheduled January 31 final payoff of a note receivable.

### **Miscellaneous**

Scholarship Committee Chair Bart Laemmel reminded directors to contribute to the directors' scholarship fund that supports GCEA employee and director dependents as opposed to the general fund used in support of GCEA members which is primarily funded by unclaimed capital credits. CEO McBride advised that he, CFO Wireman, and COO Grogg (the executive team) are voluntarily contributing to the fund as well.

Executive Assistant Sherry Booth was asked to share e-versions of policies A-25 and A-26 with the technology committee for offsite edits to present at the next policy committee meeting February 28.

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

1. CREA Annual Meeting, **February 10-13, 2018** (Denver)
2. Thursday, **February 15, 2018** Scholarship Meeting (Convenes at 11:00 a.m.)
3. Wednesday, **February 21, 2018** Regular Meeting (Convenes at 9:00 a.m.)
4. Wednesday, **February 28, 2018** Financial Goals Committee Meeting (Convenes at 9:00 a.m.)
5. Wednesday, **February 28, 2018** Policy & Bylaws Committee Meeting (Convenes at 12:30 p.m.)
6. Wednesday, **March 14, 2018** Strategic Planning (Convenes *offsite* (TBD) at 9:00 a.m.)
7. Tuesday, **March 20, 2018** Regular Meeting (Convenes at 9:00 a.m.)
8. Tri-State Annual Meeting, **April 3-5, 2018** Omni Interlocken Hotel in Broomfield
9. *Tentative:* Tuesday, **April 24, 2018** Financial Goals Committee Meeting (Convenes at 9:00 a.m.)
10. Wednesday, **April 25, 2018** Regular Meeting (Convenes at 9:00 a.m.)
11. Wednesday, **May 30, 2018** Regular Meeting (Convenes at 9:00 a.m.)
12. Tuesday, **June 26 2018** Regular and Annual Meetings
13. Wednesday, **August 1, 2018** Regular Meeting, serving as the July meeting (Convenes at 9:00 a.m.)

### **Adjournment**

**Motion** by Director Bart Laemmel to adjourn the Gunnison County Electric Association Regular Board Meeting held on January 24, 2018 carried unanimously. There being no further business before the Board, President Greg Wiggins adjourned the meeting at 2:56 p.m.

Respectfully submitted by Executive Assistant Sherry Booth.

/ Greg Wiggins /  
President

/ John P. Vader /  
Secretary/Treasurer

Date Approved: January 24, 2018