

GRAND VALLEY POWER'S SUPER BOWL

BY TOM WALCH CHIEF EXECUTIVE OFFICER



TOM WALCH

The excitement of Super Bowl Sunday has become a mainstay of our American culture. One of the reasons I look forward to it — even though my Dallas Cowboys seem to have forgotten how to get there — is the display of planning, strategy and execution that it takes. The best teams always have great plans and are always ready to adapt those plans when things go awry. And they are proficient at executing those plans, recognizing that when team members don't block or tackle or catch the ball, the team won't succeed.

While hoisting the Lombardi Trophy is not the goal we seek at Grand Valley Power, good planning, strategy and execution are critical to our success. In 2019, the cooperative's board and management staff developed strategic goals and action plans to guide us as we strive to deliver great hometown service to our members in the coming years. Here's a summary of our game plan:

Enhance our safety culture

Our vision is simple — to achieve a zero-incident safety culture. All cooperative activities should demonstrate that safety is a core value. Proactive safety leadership is expected from each team member at Grand Valley Power. Open communication, where everyone is encouraged to “speak up” and “listen up” is critical, as we all hold each other accountable for good safety practices. Leadership is responsible to ensure that all team members have the resources, equipment and training to get the job done safely.

Cultivating partnerships and alliances

Grand Valley Power will step up its efforts to collaborate with other organizations that face the same challenges we do. By sharing ideas, opportunities or costs with others, we will be in a better position to deliver value to all we serve. Currently, we have cooperative

partners that support some business functions today, which include our after-hours dispatching, safety coordination and wholesale power regulatory costs. We'll continue with shared alliances to be prudent with our members dollars, but also explore potential opportunities in 2020 that will include wholesale power supply, workforce development and advocacy with policy makers.

Developing an engaged workforce

Our mission of “Empowering Lives with Hometown Service” will only work with a competent and engaged workforce behind it. It's important to our organization that we develop every employee and encourage continued education and training, which will take place in a number of ways. To assess our workplace culture and identify key strengths and weaknesses, we will conduct annual, anonymous employee surveys to establish benchmarks and make improvements in areas where the survey indicates it's needed.

Technology and cybersecurity

We will use new and existing technology applications to enhance operating efficiencies and service, while protecting cooperative and consumer assets and information from cybersecurity threats. From our involvement in the Rural Cooperative Cybersecurity Capabilities (RC3) Program, we've learned and improved our risk mitigation, which we'll continue into the coming years.

Exploring wholesale power market opportunities

Wholesale power is by far Grand Valley Power's biggest cost. That's why it's important to explore and evaluate opportunities in Colorado's fast-changing energy marketplace. What makes sense for our members? We'll approach this with

balancing risk, reliability, flexibility and cost. While a clean energy is in our future, GVP will undoubtedly ensure we assess all market opportunities and sources that will provide the most benefit for our members.

Developing new programs and services

We seek to find new and better ways to serve our members and communities. So, GVP is introducing some new consumer choices such as outage alerts and prepaid billing in 2020. In addition, future programs and different rate structures will be assessed. Something we're excited about in 2020, is learning more about electric vehicles and sharing these results with our members.

Developing future-focused rate strategies

Now that our enhanced meter upgrade is complete, data will drive effective rate design. While this strategy will take [continued on page 9]



Notice of Annual Meeting & Election

Board of director elections will take place at the annual meeting on **August 6, 2020**, at Colorado Mesa University. Directors whose terms expire in 2020 are Bob Saunders, Don McClaskey and Janie VanWinkle. More information about the incumbents and election information will be forthcoming in the months ahead. You can also visit gvp.org/director-elections to read more about GVP's election policy.

2020 Budget Approved

The Grand Valley Power Board of Directors approved the 2020 budget at the December board meeting. The budget is the road map for the year and management will use it to guide the business. Conditions and situations may vary that could potentially change the budget during the year and, during that time, the budget may be amended. The following is a comparison of the 2019 budget, the estimated actual results for 2019 and the 2020 budget.

	2019 Budget	2019 Est Act	2020 Budget
Operating Revenue & Patronage Capital	\$33,143,147	\$32,720,003	\$33,555,854
Purchased Power	\$18,470,703	\$18,410,402	\$18,418,339
Transmission Expense	73,710	57,381	68,482
Distribution Expense: Operations	2,682,380	2,380,056	2,322,998
Distribution Expense: Maintenance	984,215	958,732	1,310,492
Customer Accounts Expense	1,303,675	1,224,176	1,024,703
Customer Service & Information	413,720	377,425	390,519
Administrative & General	2,597,270	2,602,767	2,634,268
Total Operations & Maintenance	\$26,525,673	\$26,010,939	\$26,169,801
Depreciation & Amortization	\$2,686,400	\$2,858,752	\$3,249,118
Tax Expense: Property	790,500	738,258	775,171
Interest on Long-Term Debt	1,767,743	1,784,559	1,838,754
Interest Expense: Other	200	200	200
Amortization of RUS Premium Payoff	52,868	52,868	52,868
Other Deductions	211,186	226,912	232,397
Total Cost of Electric Service	\$32,034,569	\$31,672,488	\$32,318,309
Patronage Capital & Operating Margins	\$1,108,577	\$1,047,515	\$1,237,546
Nonoperating Margins: Interest	35,000	30,932	35,000
Nonoperating Margins: Other	12,500	12,500	12,500
Capital Credits & Patronage Dividends	250,000	253,000	260,000
Total Patronage Capital or Margins	\$1,406,077	\$1,343,947	\$1,545,046

Grand Valley Power's Super Bowl

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some time to complete, in the end, members will gain additional rate choices and ensure that all rates are equitable and fair to all members. Grand Valley Power consumers have not seen their rates go up since 2011 — that's almost a decade without an increase. It's important to our board and staff that we remain good stewards of our members dollars and, moving into 2020, we'll continue to strive to provide safe, reliable and affordable energy.

The new decade ahead will be challenging and stretch us as a utility provider. But, the beauty of our business is that we're an electric cooperative. We were built by the communities we serve and are led by you. Our members are at the heart of everything we do, and this will guide us to steer the ship with confidence in the future.

COMMENTS TO THE CEO

You are a member of a cooperative and your opinion does count. If you have any questions, concerns or comments, please let me know by writing to Ask the CEO, P.O. Box 190, Grand Junction, CO 81502, or send an email to me at twalch@gvp.org. Check out our website at gvp.org.

BOARD MEETING NOTICE

Grand Valley Power board meetings are open to the members, consumers and public. Regularly scheduled board meetings are held at 9 a.m. on the third Wednesday of each month at the headquarters building located at 845 22 Road, Grand Junction, CO.

The monthly agenda is posted in the lobby of the headquarters building 10 days before each meeting and posted on the GVP website. If anyone desires to address the Board of Directors, please let us know in advance and you will be placed on the agenda.

2020 Mesa County Safety Fair

Wednesday, February 26 & Thursday, February 27

9 a.m. to 3 p.m.

Mesa Mall
2424 Old US Hwy 6 & 50
Grand Junction, CO 81505

For more information, visit: gvp.org/hometown-partnerships

NEW!
CSU Extension Mobile 4-H Energy Lab

SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH
COLORADO STATE UNIVERSITY EXTENSION

GVP
GRAND VALLEY POWER
A Toadstool Energy Cooperative

PAWS UP FOR ELECTRICAL SAFETY

BY DANA POGAR COMMUNICATIONS INTERN

Pet Safety Pro Tip



SAFE SNOOZING LOCATIONS

Do not allow your pets to sleep behind areas that contain electrical equipment such as television stands or desktop computers.



For more safety resources, visit: gvp.org/safety-resources

As I have recently learned, introducing a new puppy or kitten into your home can be exciting yet challenging for a first-time pet owner. They are naturally cute and curious little creatures that tend to sniff out your favorite pair of shoes, furniture or electrical cords to relieve their teething and entertainment needs. Before introducing a new furry friend, pet proof your home from electrical hazards by following these four “purr-fect” safety tips:

1. If you find your pet playing with electrical wires or cords, visit your local pet supply store to purchase a bitter product that discourages your pet from chewing. Simply apply the bitter product to the electrical wires to avoid any shocking accidents.
2. Pets love snuggling up in warm areas. However, do not allow your pet to snooze behind areas that contain electrical equipment, such as television stands, kitchen appliances or desktop computers.
3. Check that outlets within close proximity to bathroom or kitchen sinks are equipped with a ground fault circuit interrupter (GFCI). Frisky pets can accidentally knock over hairstyling tools, kitchen appliances or other electrical items into sinks, which can result in an “un-fur-tunate” accident.
4. Be sure you have several toys and teething treats around the house to keep your pet entertained and out of trouble. Training your puppy or kitten is essential in keeping them safe, happy and healthy.

For most, our pets are seen as additional family members and it's important that we prioritize their safety as well as our own. Avoid any unexpected accidents with your four-legged friends by implementing these safety tips today. For more safety resources, visit gvp.org/safety-resources.

Retirement Shoutout



Thank you,
Mike!

Leaving remarks:

- I started my career at GVP on June 7, 1979, as an apprentice lineman.
- My favorite part about working at GVP was having the honor to supply members with electricity since September 17, 1937, when we built our first energized line.
- I will forever cherish the people I have met and the relationships I have built over my 40 years of service.
- I look forward to traveling, spending time with family and my grandchildren.

Mike Birch

FORMER OPERATIONS MANAGER



GVP Directors Earn National Rural Electric Cooperative Association Certificate

BY CHRISTMAS WHARTON COMMUNICATIONS SPECIALIST

Two Grand Valley Power directors have earned National Rural Electric Cooperative Association credentials. Sylvia Spangler and Janie VanWinkle were awarded Director Gold and Credentialed Cooperative Director certification, respectively.

The Director Gold credential recognizes directors committed to continuing their education beyond the Credentialed Cooperative Director program and Board Leadership program. Sylvia has demonstrated her ongoing commitment to advancing her knowledge through curriculum such as power supply, governance, financial management and risk management. Thank you, Sylvia, for your continued dedication to Grand Valley Power.

The first part of NRECA's three-part Director Education program, the Credentialed Cooperative Director program, consists of five courses that focus on basic governance knowledge and the essential skills required of cooperative directors. Janie was awarded the CCD, which prepares directors to fulfill their fiduciary duty as elected officials serving on behalf of their membership. Upon completion of all five CCD courses, directors are awarded the Credentialed Cooperative Director certificate by NRECA. Congratulations, Janie, on being awarded the CCD.

CASHBACK CREDITS

YOU GET THE CREDIT!



THAT'S THE COOPERATIVE DIFFERENCE.

One of the biggest benefits of being a part of a co-op is being invested in our business. As a not-for-profit, all revenues Grand Valley Power receives through monthly bill payments, beyond the costs for providing electric service, remain with its members and are assigned to you in the form of CashBack Credits.



Learn more about your CashBack Credits at gvp.org/member-credits.