POLICY BULLETIN NO. 40A

SUBJECT: DELEGATION OF AUTHORITY FROM THE BOARD OF DIRECTORS TO THE CHIEF EXECUTIVE OFFICER

I. OBJECTIVE:

To summarize the authority delegated by the Grand Valley Rural Power Lines, Inc. (“Grand Valley Power”) Board of Directors (“Board”) to the Chief Executive Officer (“CEO”) for managing and directing Grand Valley Power’s day-to-day operations, business affairs and activities; and to reaffirm the Board’s expectations regarding performance, including the expectations regarding the monitoring and reporting of the accomplishments of the CEO to the Board.

II. POLICY CONTENT:

A. **Authority of the CEO.** The Board authorizes and directs the CEO to promote the principles, objectives, missions, and strategic priorities of Grand Valley Power. Except as otherwise provided in the cooperative’s Articles of Incorporation, Bylaws, and policies as they may be amended from time to time (collectively, the “Governing Documents”), the CEO is authorized to do the following, in accordance with applicable laws, regulations, and generally accepted business practices:

1. Management. Manage and direct the day-to-day operations and activities of Grand Valley Power, except as specified otherwise by the Governing Documents or the Board; delegate authority to immediate staff; and, authorize further delegation of authority to any level of management with full recognition that the CEO cannot be relieved of overall accountability.

2. Planning. Implement the principles, objectives, missions, and strategic priorities of Grand Valley Power, and periodically assess changes within the cooperative and in the external environment, and adopt strategies to effectively identify and address issues as they arise.

3. Policies. Implement the cooperative’s policies, ensure compliance, and make policy recommendations to the Board for its consideration, consistent with Grand Valley Power Policy Nos. 1 and 40. The CEO should review the cooperative’s policies as a whole at least once a year and make recommendations or advise that no changes are necessary.

4. Meetings of the Board of Directors. Confer with the president of the board of directors to identify matters to be included on the agenda for regular and special meetings of the Grand Vally Power Board of Directors. Ensure that board Meeting Notices, Agendas, and Minutes are posted in a manner consistent with all legal requirements, Submit reports to the board in advance of board meetings; ensure that CEO, staff and

consultant reports at board meetings are presented in an effective manner and support the objectives of the board and Grand Valley Power membership.

5. Member Meetings. Develop, with the staff, plans for annual and other member meetings of Grand Valley Power, and make appropriate recommendations to the Board on any improvements or changes which should be made to make the meetings more effective.

6. Member Needs. Conduct an annual measurement of member needs and satisfaction with current and proposed services, products, and program offerings. Develop practices to ensure compliance with Grand Valley Power Policy Nos. 88–99, and 105.

7. Employees. Direct and oversee staffing of the cooperative and related personnel practices, including consistent with Grand Valley Power Policy Nos. 10–12, 30–31, 33A, 34, 41, 60–74, 100–103, 106, 108, 110, 150, and 200. Develop an organization plan and organization manual for Grand Valley Power with the advice, counsel, and assistance of immediate staff. Administer the Board's Salary and Wage Plan, employee salary schedule, benefits, insurance, worker compensation, retirement benefits, and other work-related benefits and make recommendations for policy changes, if necessary or required.

8. Union Relations. Serve as Grand Valley Power's representative for interaction with all bargaining units of the Local Union No. 111 of the International Brotherhood of Electric Workers ("Union") in place at Grand Valley Power. Subject to Board approval, negotiate bargaining agreements and amendments thereto with the Union, and oversee and carry out all agreements between Grand Valley Power and the Union, and make recommendations to the Board related to negotiations with the Union as far in advance as possible.

9. Safety and Risk Management. Develop, maintain, and enforce a safety manual consistent with rules and regulations promulgated by the Occupational Safety and Health Administration (OSHA) applicable to Grand Valley Power, the National Electric Safety Code and other federal, state, and local laws and regulations, consistent with Grand Valley Policy Nos. 74, 101–104, 106, 150, and 200. Create and maintain a culture that motivates employees to engage in work practices that prioritize safety and avoid accidents and injuries. Develop programs and communications to educate members regarding the safe use of electricity. Advise the Board of the need for additional resources, information, or policy changes to meet the high safety standards of Grand Valley Power.

10. Power Supply. Direct and oversee all aspects of Grand Valley Power's power supply needs, including, but not limited to, the relationship with

generation and transmission provider(s), understanding member current and future needs, directing forecasting and the use of such information in planning for power supply and delivery requirements, energy management, risk management and related requirements. Report periodically to the Board on load changes and power cost compared to forecasting studies, and recommend plans to meet anticipated needs to ensure an adequate, affordable, and reliable supply for members consistent with sound business and management practices.

11. Financial and Equity Management. Maintain a sound financial position and provide for the security of the financial resources of Grand Valley Power within the goals and parameters established by the Board. Maintain compliance with cooperative non-profit legal requirements, as well as regulations and operational practices required by various agencies and lenders. Ensure the financial integrity of Grand Valley Power, enabling it to provide affordable and reliable electric service to its members presently and well into the future. Establish procedures to ensure that appropriate accounting and recordkeeping practices and internal controls are in place and working effectively. Support the audit process by providing requested documentation and all necessary cooperation with the Independent Auditor retained by the Board. Implement the Financial and Equity Management Policy in accordance with Grand Valley Power Policy No. 80 to ensure ongoing compliance with the financial policy, and review and recommend policy changes to the Board at least annually. Further oversee or execute compliance with Grand Valley Power Policy Nos. 81 through 84.

12. Rates. Recommend to the Board, as far in advance as possible, retail electric rates and rate adjustments necessary to meet the financial goals and objectives established by and in Grand Valley Power Policy No. 80.

13. Resources. Procure, protect, and upkeep real property, equipment, facilities, insurance coverage and any other necessary resources for operating the cooperative, which have been approved by the Board, or for which no Board approval is required by the Governing Documents.

14. Expenditures. Expend amounts as reasonably deemed necessary within the total approved estimated annual operating budget and, separately, up to a $50,000 variance on any item not otherwise accounted for or included in Grand Valley Power's operating budget, provided that the CEO present such variance to the Board at the next regular Board meeting.

15. Emergency Management Plan. To minimize the danger to life, health, and property from disasters or emergencies, develop, implement, review, and update the cooperative's Emergency Management Plan in accordance with Grand Valley Power Policy Nos. 42 and 104, to include administering the

cooperative's Wildfire Mitigation Plan. Make necessary recommendations for changes to the Emergency Management Plan for review by the Board.

16. Wildfire Mitigation Plan. Develop, implement, and periodically update Grand Valley Power's Wildfire Mitigation Plan ("WMP"), consistent with the Governing Documents, Board approvals, budgets, and applicable legal and regulatory requirements. Ensure the WMP satisfactory addresses risk assessment, system hardening, vegetation management, operational practices, emergency response, coordination with other agencies, and public communication. Report annually to the Board, identifying any recommendations to the WMP. File all reports required by federal, state, or local agencies.

17. Digital Systems and Cybersecurity. Administer the proper use and protection of the cooperative's electronic communication systems in accordance with Grand Valley Power Policy No. 105. Develop and implement a cybersecurity response plan with the assistance of staff and consultants to promote awareness and education, minimize risk, and to rapidly detect, respond, and recover from a cyber incident. Update the Board on a regular basis regarding cyber and technology issues, trainings, incidents, and identified threats.

18. Grants. Routinely identify, pursue, and administer grants that are in the best interest of Grand Valley Power and its members. Administer grants in compliance with applicable laws, regulations, funding-agency or entity requirements, agreement terms, and financial obligations. Inform the Board of relevant grant opportunities, risks, compliance, or other matters that could materially impact the cooperative's operations or finances.

19. Legislation. Participate with allied groups to obtain their increased understanding and support of Grand Valley Power's legislative and regulatory objectives and programs. Coordinate with the Colorado Rural Electric Cooperative Association, National Rural Electric Cooperative Association, lobbyists, other cooperatives in the state, and any other relevant person or entity regarding state and federal legislative and regulatory matters important to Grand Valley Power. Recommend to the Board whether Grand Valley Power should adopt a position with regard to pending legislation or rule changes.

20. Continuity of Executive Leadership. Designate an appropriate person to serve as manager in the event of an extended absence of the CEO. In the event the CEO becomes incapacitated, this person shall temporarily serve as acting manager until the Board takes appropriate action at a meeting to be convened as soon as possible.

21. Consultants. Recommend, retain, and use the services of outside consultants and advisors consistent with Grand Valley Power Policy Nos.

20 and 32. Provide for consultation services when deemed necessary and within the parameters of the estimated annual operating budget. Include a consultant's appearance and reports in the Board meeting materials and agenda(s) as appropriate.

22. Legal Affairs. Oversee Grand Valley Powers' business legal affairs, in consultation with its external General Counsel and the Board, subject to relevant legal requirements and Grand Valley Power Policy No. 20. Negotiate and execute routine legal agreements on behalf of the cooperative but consult with the Board and General Counsel before signing key legal agreements that bind the cooperative in a material manner. Negotiate, initiate, defend, and resolve routine legal disputes on behalf of the cooperative, but the CEO will consult with the Board and General Counsel regarding any key disputes that could affect Grand Valley Power in a material manner.

23. Stakeholders. Serve as the principal representative for Grand Valley Power with the primary responsibility to establish constructive and positive relationships with key stakeholders. Develop and maintain public, business, and political alliances that are beneficial to the cooperative's members.

24. Community. Participate and support efforts that contribute to the economic and social development of the broader community that Grand Vally Power serves with the intent of enhancing members' quality of life.

25. Cooperative Assistance. Commit cooperative resources, as deemed appropriate, outside of Grand Valley Power's territory and/or normal operational scope for purposes of mutual aid and volunteerism.

26. Perform and/or delegate tasks outlined in the CEO's job description.

27. Serve as the designated spokesperson on behalf of the cooperative.

B. **Expectations of the CEO.** The CEO shall produce results and report to the Board periodically on how the delegations of authority identified in Board policies and plans are being carried out. On an annual basis, at the beginning of each year, the CEO shall identify and prioritize management objectives for the upcoming year and present them to the board for approval. The CEO is expected to provide advice and counsel to the Board, and to take the lead in ensuring that important issues are presented and explained to the Board in a timely fashion.

C. **Delegation by the CEO.** The CEO is authorized, except as otherwise limited by law or the Governing Documents, to delegate, as appropriate, specific authorities or duties to staff with the recognition that the CEO must exercise due care in such delegations, regularly monitor the compliance of the areas delegated, and remain at all times responsible and accountable for actions taken under such delegations.

D. Limitations. The Board maintains the following principles and guidelines in its relationship with the CEO:

1. The Board is responsible for directing the affairs of Grand Valley Power. It reserves authority to adopt policies, approve key plans and programs, exercise fiduciary oversight, employ a CEO, engage outside counsel, engage a professional certified public accounting firm to conduct a financial audit, act as trustees of member interests, and all other powers granted by law and the Governing Documents and not explicitly delegated to the CEO or others.

2. The Board is responsible for ensuring that the CEO knows and understands his/her expectations and any limitations it has placed on discretionary decision making. These expectations and limitations are identified in approved policies or plans, and such policies and plans will be used as the foundation for the Board's annual review of the CEO's performance.

III. RESPONSIBILITY:

A. It shall be the duty of the CEO to report to the Board on how these delegations are being carried out.

B. It shall be the duty of the Board to ensure compliance with this policy and to determine its adequacy.

Date Adopted: January 21, 2026

Attest: __ Kyle Coltrinari ____
Secretary/ Treasurer