

Record of Minutes

Colorado 31 Larimer

Poudre Valley Rural Electric Association, Inc.

May 27, 2008

President Keith D. Croonquist called the meeting to order at 9:01 a.m. All directors were present except directors Hansen and Park. Also attending were CEO Gaskill, Member Services Manager Jensen, Finance / Corporate Services Manager Johnson, Human Resources and Safety Services Manager Duane Ziller, and Attorney Starr. Guest Steve Szabo was also in attendance.

There being no further business to come before the April 29, 2008, meeting of the Board, upon motion duly made, seconded and carried, the meeting was adjourned.

President Croonquist called the regular May Board meeting to order.

Changes to the Agenda were made by President Croonquist to add as item the storm damage report. An executive session will be held at the end of the meeting. (09:02)

President Croonquist asked for comment from the public. There were no comments from the public. (09:09)

Upon motion duly made, seconded and carried, the following matters were adopted unanimously by the board:

1. Minutes of the April 29, 2008, Board meeting.
2. Work Order Form 219 (#774-04-08) in the amount of \$156,299.17.
3. Construction contracts for May, 2008, on the list given to the board prior to the meeting were approved (none). (09:03) At this time attorney Westbrook entered the board room.

CEO Gaskill distributed additional documents received since the board packet had been mailed. (09:07)

Happy Birthday greetings were sung to attorney Westbrook.

Manager Johnson gave a verbal and PowerPoint® report on various financial matters. During the presentation directors Hansen and Park entered the board room. (09:09) Questions were asked by the board and answered by Manager Johnson and CEO Gaskill. Upon motion duly made, seconded and carried the financial report was accepted. (09:23)

At this time Scott Bussing (Western Sales Director), Leo Supan (Account Executive), Doug Schmidt (Hamilton & Associates [sales rep]) and Matt Monroe (Solutions Director) of Landis + Gyr Automated Meter Reading [formerly Cellnet + Hunt and Bayard Group) entered the board room. Messrs. Bussing and Supan made a presentation of the AMI equipment used by the association. At the conclusion of the report the visitors left the board room. (10:40)

At this time a break was taken. (10:48)

At this time Manager of Operations Services Stanton entered the board room. He gave a presentation about the storm damage. Discussion on the effects of the tornado that hit from Gilcrest through Wellington, especially Windsor, on Thursday, May 22, 2008, was described. The association lost a large number of transmission poles on the H-frame lines into the Kodak Substation and WAPA lost a number of structures between the Windsor Substation and the Weld Substation. The loss of the structures caused the Kodak Substation to go off line and caused an outage to the large customers in the Windsor area including Kodak, Owens-Illinois and Vestas were all out of service. Power has been restored to most customers however Kodak and Owens-Illinois are not yet on but scheduled for connection today. (11:21)

CEO Gaskill gave his CEO report by printed slides from his PowerPoint® presentation that had been sent to the board prior to the meeting, and then he gave a verbal update to the slides. The slides outlined current employee matters including new hires and job offers, resignations, and other information about employees at the Association, Tri-State matters, CREA matters; NRECA matters; and the recent employee meeting. CEO Gaskill gave a verbal update on some of the information in the slides. (11:40)

Manager Byrne is in North Carolina and his report by printed slides from his PowerPoint® presentation had been sent to the board prior to the meeting, and then CEO Gaskill gave a verbal update to the slides. CEO Gaskill responded to questions about the report. (11:43)

Manager Jensen gave his report by printed slides from his PowerPoint® presentation that had been sent to the board prior to the meeting, and then he gave a verbal update to the slides. In particular he described the solar rebate program and its administration. (11:56)

Manager Ziller gave a report about himself and his new department. (12:01)

At this time the regular luncheon break was taken. (12:41)

Upon motion duly made, seconded and carried the management reports were accepted.

The written safety report of May 13, 2008, was sent to the board prior to the meeting. CEO Gaskill reviewed the contents of the report. Upon motion duly made, seconded and carried, the safety report was accepted. (12:50)

Attorneys Westbrook and Starr did not have any matters for the legal report. (12:50)

Director Park reported on the status of CREA. A written report on CREA had been delivered to the board prior to the meeting. (12:58)

Director Hansen reported on the latest board meeting of Tri-State. A written report on Tri-State had been distributed prior to the meeting. A discussion ensued about the possible change in policy for allocation of margins. (13:32)

Director Diehl reported on the status of WUESC. A written report on WUESC had been distributed prior to the meeting. (13:35)

CEO Gaskill and Manager Jensen made a presentation about the proposed changes in the tariffs regarding payment of additional charge for late payment. Discussion ensued among the board members about the proposed changes to the tariffs. At 2:00 p.m. President Croonquist called the public hearing on the proposed changes in the tariffs to order. No members of the public appeared in opposition to the proposed changes and no written protests had been received. At this time Attorney Westbrook left the board room. After discussion upon motion duly made, seconded and carried the proposed tariff changes were adopted with a change to substitute the term "additional charge" for "penalty" in the proposed wording. Lengthy discussion ensued about the procedure and timing of notices and disconnects. Lisa Flye entered the board room and gave further explanation of the procedures. A change to the Rules and Regulations may be presented if management determines that a change in disconnect procedures is warranted. (14:37)

CEO Gaskill presented the proposed allocation of margins to members of the association. A list of the data had been sent to the board prior to the meeting showing the allocation distribution among rate classes of the association in the total amount of \$10,336,158.09 [association=\$645,885.09 and Tri-State=\$9,690,273.00]. Upon motion duly made, seconded and carried, the 2007 margins of the association was allocated to the members in accordance with the provisions of the articles of incorporation, bylaws, tariffs, rules and regulations of the association. (14:39)

Manager Jensen and CEO Gaskill made a presentation about AMI by verbal and PowerPoint® presentation. A handout prepared by NRECA as a consultant to the association was distributed showing the results of the RFP submittals. A further review of this subject will occur at the June board meeting. (15:14) At this time Mr. Szabo left the board room.

Upon motion duly made, seconded and carried a standard banking resolution with Wells Fargo for the 2007 capital credit refund account was approved.

Upon motion duly made, seconded and carried a resolution to increase the credit limit on the association's credit cards (collectively) with Wells Fargo to \$80,000 was, upon motion duly made, seconded and carried, approved. (15:16)

CEO Gaskill presented information about the NRECA program entitled "Our Energy, Our Future" A Dialogue With America. Upon motion duly made, seconded and carried the decision of CEO Gaskill to contribute additional cost of sending information on the program through CREA was approved. (15:26)

CEO Gaskill presented a request for a donation to the Colorado Council For Wildlife Rehabilitation. No action was taken no the request. (15:27)

A report was given by the board members who attended the NRECA Legislative Conference. (15:40)

Arrangements were discussed for the upcoming CFC Forum to be held June 16 to 18, the CRC Annual Membership meeting [a motion was made, seconded and carried, CEO Gaskill was designated to review the information and vote the position of the association], and the board's Strategic Planning Retreat on June 19. (15:45)

CEO Gaskill reported on the status of the Town of Berthoud regarding a franchise, the status of the judgment against Moblesource, the Richard Lake to Waverly Transmission Line, the resolutions regarding the retirements of Messrs Schott, Shafer and Barnes, the CRC Annual Meeting ballot, and the Strategic Initiatives (draft sent to the board prior to the meeting). CEO Gaskill and Managers Jensen, Ziller and Johnson reported on the Initiatives. A discussion ensued about the method of allocation of board expenses ensued. (16:10)

Each of the board members reported on the contents of their respective board billing sheets. Upon motion duly made, seconded and carried, the reports were approved. Upon motion duly made, seconded and carried, the CEO's expense report was approved. (16:19)

A brief break was taken. (16:21 to 28) Upon motion duly made, seconded and unanimously carried the board entered executive session to consider documents or testimony given in confidence generally relating to employee matters. No action was taken by the board to make final policy decisions or adopt or approve any resolution, rule, regulation, or formal action, any contract, or any action calling for the payment of money. A motion to exit the executive session was made, seconded and carried. [17:08]

There being no further business to come before the meeting, upon motion duly made, seconded and carried, the meeting was recessed until the regular board meeting on June 24, 2008, at 9:00 A.M. at the Association's headquarters. [17:08]

Thaine J. Michie – Secretary

ATTEST:

Keith D. Croonquist – President

NOTE: The 2008 board meeting dates have been set as follows: Strategic Planning June 19, 2008, June 24, 2008, July 29, 2008, August 26, 2008, September 25, 2008, October 28, 2008, November 25, 2008 and December 23, 2008. The annual meeting of members for 2009 will tentatively be Saturday, March 28, 2009.