

Record of Minutes

**Colorado 31 Larimer**

**Poudre Valley Rural Electric Association, Inc.**

**September 25, 2008**

President Keith D. Croonquist called the meeting to order at 9:01 a.m. All directors were present, except director Sutherland. Also attending were CEO Brad Gaskill, Engineering Services Manager Byrne, Finance / Corporate Services Manager Mike Johnson, Human Resources and Safety Services Manager Duane Ziller, and Operations Services Manager Tim Stanton and Attorney Randolph Starr and Attorney Michael Westbrook. It was announced that Yvonne Sutherland had passed away today. A moment of silence was observed for her passing.

There being no further business to come before the August 26, 2008, meeting of the board, upon motion duly made, seconded and carried, the meeting was adjourned.

President Croonquist called the regular September board meeting to order.

Changes to the Agenda were made by President Croonquist to add: Item 20(l) discussion on Board Policy 504 regarding depository matters, and Item 20(m) set a date for a board work session to consider the change in rates for 2009, and put Item 20 after Item 7. (09:04)

President Croonquist asked for comment from the public. No members of the public were in attendance. (09:04)

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

1. Minutes of the August 26, 2008, board meeting.
2. Work Order Form 219 (#778-08-08) in the amount of \$167,328.63.
3. Construction contracts for September 2008, on the list given to the board prior to the meeting were approved. (09:04)

CEO Gaskill distributed additional documents received since the board packet had been mailed. (09:08)

Manager Johnson gave a verbal and PowerPoint® report on various financial matters. Questions were asked by the board and answered by Manager Johnson and CEO Gaskill. Manager Johnson discussed a penalty assessed by the IRS for late payment of withholding taxes. He also discussed the status of

Wells Fargo's financial condition. Upon motion duly made, seconded and carried the financial report was accepted. (09:30)

CEO Gaskill reported on the status of the Town of Berthoud regarding refunding of previously collected franchise fees; the status of the judgment against Moblesource; an update on the new FTC "Red Flag" Rules that will be presented for adoption at the October board meeting and to be implemented on November 1 [CEO Gaskill and Manager Jensen distributed a draft Policy developed with Attorney Westbrook]; and an update on the required hearing on the new PURPA standards required set for the December 23 board meeting. Discussion about the approximate 4.1% Tri-State rate increase [effective January 1, 2009] occurred and the board set October 6 at 8:30 a.m. at the headquarters as the date for the Special Board Meeting about the rate adjustment that the association will be required to make. (11:09) Discussion about a trade of assets with WAPA occurred. (11:18) Discussion about the 2009 Resolutions to be considered at the CREA Semi-Annual meeting in Crested Butte were considered. (11:22) CEO Gaskill presented a proposal for remodeling of the headquarters facility (est. \$500,000) and an architect will be employed. (11:28) CEO Gaskill distributed a copy of the 2007 Form 990 and reported that IRS Form 990 for 2008 and the recent changes made by the IRS to the instructions on how to prepare the new Form 990. (11:31) CEO Gaskill reminded the board that CARE / ACRE new year contributions will be due now. CEO Gaskill discussed a tour of parts of the service territory of the association on October 23. CEO Gaskill presented changes to Board Policy 504 ~ Depository, Check Signatures & Cash Control. Discussion ensued among the board members and CEO Gaskill about changes to the draft; and CEO Gaskill will present a revised Policy 504 for action at the October board meeting. (11:47)

Director Michie reported on the Board Evaluation Committee and a copy of an evaluation form was included in the board materials. Questions and discussion ensued about the methodology of the evaluation. Action on the form with changes will occur at the October board meeting. (11:51)

Director Michie reported on the Bylaws and Articles of Incorporation Committee (Michie, Hole, Croonquist and Johnson). Attorney Starr presented proposed changes to the Bylaws in "blackline" format that would eliminate the At Large positions and to replace At Large Position A in Larimer County and to replace At Large Position B in Weld County effective at the next election for those positions. The proposed changes also had some other technical amendments to renumber subsequent provisions and to change the provisions regarding board compensation and Tariffs, Rules and Regulations of the Association. A motion was made to adopt the proposed Bylaw changes and the motion was seconded. Discussion ensued about the proposed Bylaw changes. The motion was passed by a majority vote with director Lock dissenting. (12:05)

At this time the luncheon break was taken. (13:00) At this time Steve Bisson of NRECA entered the board room.

Steve Bisson, Senior Field Representative of NRECA Insurance and Financial Services Department gave a PowerPoint® and verbal presentation of employee benefits of the association. After the presentation and discussion of the board, upon motion duly made, seconded and carried the 2009 plan will be identical to the 2008 plan. (14:09) At this time director Michie and Mr. Bisson left the board meeting.

Substation naming for the Red Feather Lakes substation was discussed. CEO Gaskill described the process for renaming. Upon motion duly made, seconded and carried the Red Feather Lakes Substation was renamed as the Stephen L. Goodwin Substation. (14:14) At this time Attorney Westbrook left the board room.

CEO Gaskill 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. (14:25)

Manager Ziller 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. (14:28)

Manager Byrne 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. (14:36)

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. (14:40)

Manager Stanton 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. (14:46)

Upon motion duly made, seconded and carried the management reports were accepted. (14:46)

The written safety report of September 9, 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. (15:01)

Attorneys Starr and Westbrook had no legal report. Attorney Starr gave a report about the recent action of the PUC in a CPCN case involving Tri-State. (15:10)

Director Diehl reported on WUESC matters. (15:11)

Director Park reported on CREA matters. (15:11)

Director Hansen reported on Tri-State matters. A written report on Tri-State had been distributed prior to the meeting. (15:28)

Upon motion duly made, seconded and carried director Michie was appointed as delegate and director Diehl was appointed as alternate to the Basin Electric Cooperative Association annual member meeting (November 5-6); and director Hansen was appointed as delegate and CEO Gaskill was appointed as alternate to the Midwest Electric Consumers Association annual meeting December 9-11. (15:34)

Arrangements for the October board meeting, the CREA Semi-annual meeting in Crested Butte and the NRECA Region VII in Omaha were discussed. (15:39)

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. (15:45)

Upon motion duly made, seconded and unanimously carried the board entered executive session to consider documents or testimony given in confidence generally relating to the IBEW wage adjustment, the nonunion wage adjustment process and the CEO evaluation. 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. (17:12)

CEO Gaskill and members of the board reported on the finalization of the amendment to the current IBEW contract. The local union has approved the amendment of the contract. CEO Gaskill described in general terms the changes made from the prior contract. After discussion by the board, upon motion duly made, seconded and carried the wage-only amendment to the contract with the IBEW was approved by a majority vote with director Hansen abstaining and the officers of the association were authorized to sign and deliver the amendment to the current contract. 17:15)

Upon motion duly made, seconded and carried the 2008 budget was amended to change the amount allocated to nonunion wages based on the revised wage calculation method presented by CEO Gaskill. (17:15)

President Croonquist distributed information about manager salaries of Colorado electric cooperative managers. After discussion by the board, a motion was made, seconded and carried with director Hansen abstaining to change the manager's salary effective October 1, 2008 to the amount certified in a supplemental schedule approved by President Croonquist. (17:16)

There being no further business to come before the meeting, upon motion duly made, seconded and carried, the meeting was recessed until the special board meeting on October 6, 2008, at 8:30 a.m. for the special board meeting regarding rates and then to the regular board meeting on October 28, 2008, at 9:00 A.M. at the Association's headquarters. [17:16]

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Thaine J. Michie – Secretary

ATTEST:

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Keith D. Croonquist – President

NOTE: The 2008 board meeting dates have been set as follows: October 28, 2008, November 25, 2008 and December 23, 2008. The annual meeting of members for 2009 will be at the Larimer County Fairgrounds ("The Ranch") on Saturday, March 28, 2009.