

Record of Minutes

Colorado 31 Larimer

Poudre Valley Rural Electric Association, Inc.

December 23, 2008

President Keith D. Croonquist called the meeting to order at 8:56 a.m. All Directors were present, except director Sutherland. Also attending were CEO Brad Gaskill, 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. Guest Steve Szabo was also in attendance.

There being no further business to come before the November 25 and December 15, 2008, meetings of the Board, upon motion duly made, seconded and carried, the meeting was adjourned.

President Croonquist called the regular December Board meeting to order.

Changes to the Agenda were made by President Croonquist to add: #9, add item H, consideration of change of March board meeting date, and add #18B to consider delegate and alternate designations of various meetings, and add consideration of board survey results under item #22. (08:57)

President Croonquist asked for comment from the public. There was no comment from the public. (09:00)

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

1. Minutes of the November 25, 2008, and December 15, 2008, Board meetings.
2. Work Order Form 219 (#781-11-08) in the amount of \$34,695.24.
3. Construction contracts for December, 2008, on the list given to the Board prior to the meeting were approved. (09:01)

CEO Gaskill distributed additional documents received since the Board packet had been mailed. (09:06)

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. During the presentation Mr. Jan Peterson entered the board room as a guest. Upon motion duly made, seconded and carried the financial report was accepted. (09:25)

CEO Gaskill and other staff members presented the 2009 Capital and Operating Budget and the 2009 Work Plan that had been sent to the board prior to the meeting. A meeting of the board was held on December 15, 2008 at 9:00 a.m. to discuss the Budgets and Work Plan. A short discussion ensued. Upon motion duly made, seconded and carried the 2009 Capital and Operating Budget and the 2009 Work Plan as changed by the information produced at the December 15 meeting (a copy of the reconciliation was distributed at the meeting) was approved as presented. (09:28)

CEO Gaskill reported on the status of: A) Moblesource repayment, B) the annexation by the City of Loveland of the Hanaqua Hill Central Addition, C) the GEO's Climate Action Plan Resolution [letters of other co-ops were sent in the board packet], D) the proposed sale of about 1.36 acres to the Windsor-Severance Fire Protection District, E) the Berthoud Economic Resource Team, F) the Tri-State member and consumer survey [a PowerPoint® presentation was given], G) new Administrative and Team Member Policies and Procedures [distributed at the meeting], and H) Upon motion duly made, seconded and carried the March 31, 2009, Board meeting was cancelled due to a conflict with CEO Gaskill's NRECA meeting and Attorney Starr's trial. (10:46)

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. At the beginning of the presentation Jess Aills and Pat Plank entered the board room due to the absence of Messrs Byrne and Jensen. (11:09)

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. (11:10)

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. (11:11)

Jess Aills was available to review Manager Byrne's report by printed slides from his PowerPoint® presentation that had been delivered to the Board at the beginning of the meeting, and Mr. Aills gave a verbal update to the slides. (11:16) At this time director Hole left the board room.

Pat Plank was available to review Manager Jensen's report by printed slides from his PowerPoint® presentation that had been sent to the Board prior to the meeting, and Mr. Plank gave a verbal update to the slides. (11:20)

Upon motion duly made, seconded and carried the management reports were accepted. (11:21) At this time Messrs Aills and Plank left the board room.

The written safety report of December 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. (11:48) It was reported that Tom Marshall, a former employee of the association, had died today. Messrs Szabo and Peterson left the board room.

At this time the luncheon break was taken. (12:52)

Attorneys Starr reported on a recent customer bankruptcy filing. Attorney Westbrook reported on a damage claim regarding Windsor Good Samaritan's transformer. (13:03)

CEO Gaskill presented the changes to the Tariffs, Rules and Regulations of the association that had been distributed to the board at its December 15 meeting. After discussion by the board, upon motion duly made, seconded and carried the changes to the Tariffs, Rules and Regulations were approved as presented. (13:05)

CEO Gaskill presented a proposed investment in CFC Member Capital Securities. He provided written materials about the proposed investment. CEO Gaskill recommended that if a purchase is made that it be a minimum of \$1 million. A motion was made to authorize the investment of \$1 million of the association's available funds in the CFC Capital Securities. The motion was seconded and carried. (13:23)

Upon motion duly made, seconded and carried the following resolution regarding the association's 401(k) pension plan was passed:

RESOLUTION

**AUTHORIZING THE AMENDMENT OF THE
NRECA 401(k) PENSION PLAN**

**Adoption Agreement "A"
RUS#: 06031-001 and 06031-002**

WHEREAS, Poudre Valley Rural Electric Association, Inc. is participating in the NRECA sponsored defined contribution plan, the 401(k) Pension Plan, and;

WHEREAS, The Board of Directors of Poudre Valley Rural Electric Association, Inc. ("the Board") now desires to amend this plan pursuant to Section 18.02 of the pension plan documents, and does hereby authorize the amendment effective the first day of February, 2009, by executing the appropriate Adoption Agreement;

BE IT RESOLVED, that the amendment to the 401(k) Pension Plan is as follows:

- Employees will become eligible to participate in the 401(k) Pension Plan and to make Employee Contributions upon completion of three months of employment service. The Eligibility for receiving Employer Contributions

shall remain unchanged at completion of one year of employment service and attainment of age 21

BE IT FURTHER RESOLVED, that the Board does hereby authorize and direct the Chief Executive Officer to execute all necessary documents and to take any and all further actions necessary to carry out the intentions of the Board as indicated in this resolution.
(13:25)

CEO Gaskill presented a request for contribution to the Colorado FFA Foundation Hall of Fame (materials in the Board packet). At this time guest Roger Alexander entered the board room. A motion was made, seconded and carried to contribute \$550.00 to the Foundation (Subscriber Table) with the ability to purchase one additional event ticket (February 19). (13:31)

CEO Gaskill presented a request for contribution to the Colorado Workers' Compensation Coalition (materials in the Board packet). A motion was made, seconded and carried to contribute \$250.00 to the Coalition. (13:33)

CEO Gaskill presented a request for contribution to the Windsor, Colorado Music Boosters ~ Marching Band (materials in the Board packet). A motion was made and seconded to contribute \$750.00 to the Coalition. A motion to amend the motion to change the amount to \$1,500 was made and seconded. The amendment passed. The main motion, as amended, was passed. (13:40) At this time the department managers left the board room.

Director Diehl reported on WUESC matters. A written report on WUESC had been distributed prior to the meeting. (13:44)

Director Park reported on CREA matters. A written report on CREA had been distributed prior to the meeting. (13:56) During the presentation director Hole reentered the board room.

Director Hansen and CEO Gaskill reported on the Mid-West Electric Consumers Association Annual Meeting. (14:02)

At 2:02 p.m. President Croonquist recessed the meeting and called the hearing to order on consideration of the PURPA standards passed under the provisions of the Energy Independence and Security Act of 2007. Testimony and evidence had been filed by management of the association; and no testimony or documentary evidence had been filed by any other person. No other person made any verbal presentation to the board. Action on the standards is intended to be done at the January 27, 2009, board meeting. Discussion among the board members ensued. At the conclusion of the hearing the meeting was reconvened. (14:08) At this time Attorney Westbrook left the board room.

Discussion about the Mid-West meeting continued. (14:15)

Director Hansen reported on Tri-State matters. A written report on Tri-State had been distributed prior to the meeting. (14:31)

Upon motion duly made, seconded and carried the President was designated as the delegate and the Vice-President was designated as the alternate to the NRECA Annual meeting, the CFC Annual meeting, the Federated Rural Electric Insurance Exchange Annual meeting, NRTC Annual meeting, NCSC Annual meeting, and the CREA Annual member meeting. (14:27)

CEO Gaskill reviewed upcoming events including the January 27, 2009 board meeting, the NRECA Annual meeting (February 15-18, 2009), the CREA Annual member meeting February 28-March 3, 2009, and the NRECA Director's Conference (March 22-26, 2009). (14:29)

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. (14:32) A short break was taken. At this time Mr. Alexander left the board room. (14:38)

Upon motion duly made, seconded and unanimously carried the board entered executive session to consider documents or testimony given in confidence generally relating to personnel matters. Manager Ziller was called into the meeting to answer certain questions. 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. (15:28)

At this time President Croonquist presented the results of the board member survey questions and answers.

There being no further business to come before the meeting, upon motion duly made, seconded and carried, the meeting was recessed until January 27, 2009, at 9:00 A.M. [15:28]

Thaine J. Michie –Secretary

ATTEST:

Keith D. Croonquist – President

NOTE: The 2009 Board meeting dates have been set as follows: January 27, 2009, February 24, 2009, March 28 (reorganization + full agenda), 2009, April 22, 2009, May 26, 2009, June 30, 2009, July 28, 2009, August 25, 2009, September 29, 2009, October 27, 2009, November 24, 2009, December 22, 2009. The annual meeting of members for 2009 will be at the Larimer County Fairgrounds ("The Ranch") on Saturday, March 28, 2009.