

Record of Minutes

Colorado 31 Larimer

Poudre Valley Rural Electric Association, Inc.

February 24, 2009

President Keith D. Croonquist called the meeting to order at 8:56 a.m. All Directors were present, except director Hansen. Also attending were CEO Brad Gaskill, Finance / Corporate Services Manager Mike Johnson, Human Resources and Safety Services Manager Duane Ziller, Member Services Manager Myles Jensen, and Operations Services Manager Tim Stanton and Attorney Randolph Starr and Attorney Michael Westbrook. Engineering Services Manager Byrne was attending his mother's memorial service.

There being no further business to come before the January 27, 2009, meeting of the board, upon motion duly made, seconded and carried, the meeting was adjourned.

President Croonquist called the regular February board meeting to order.

Changes to the Agenda were made by President Croonquist: CEO Gaskill reported that the Town of Windsor passed the franchise agreement on first reading last night. [08:57]

President Croonquist asked for comment from the public. There was no comment from the public. [08:57]

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

1. Minutes of the January 27, 2009, Board meeting.
2. Work Order Form 219 (#783-01-09) in the amount of \$4,705,144.52.
3. Construction contracts for February, 2009, on the list given to the Board prior to the meeting were approved. [08:58]

CEO Gaskill distributed additional documents received since the board packet had been mailed. [09:11]

Manager Johnson gave a verbal and PowerPoint® report on the RUS Form 7 for 2008 and other various financial matters. CEO Gaskill discussed the opportunity for draw down on the currently approved RUS loans to the association at the current (low) interest rate. Questions were asked by the board and answered by Manager Johnson and CEO Gaskill. The Audit Committee will meet with the auditor on Thursday at 8:30 a.m. Upon motion duly made, seconded and carried the financial report was accepted. [10:16]

CEO Gaskill reported on the status of: A) Moblesource repayment (testing done in Romania with payment in April or May—maybe), B) status of the proposed sale of about 1.36 acres to the Windsor-Severance Fire Protection District [10:22] (at this time director Hansen entered the board room), C) medical insurance waiver of / payment of premiums for spouses of former employees and board members [10:48], D) possible 2009 budget revisions related to the breakers on the electric system and the backup power system of the headquarters building, and the association's employee vehicle policy, and the gross margin variances from the 6 largest customers of the association with information about potential for nonpayment [11:28], E) status of the Neva Road fire [11:30], F) OSHA Form 300 (a copy was provided in the board packet, page 22) [11:33], G) Mr. Jensen gave a status update on preparations for the annual member meeting. [11:53]

At this time the luncheon break was taken. (reconvened 12:39)

CEO Gaskill continued his report on the status of: G) annual member meeting preparation continued [12:42], H) IRS Form 990 questionnaire (previously discussed) [NRECA sample distributed with board packet] [12:42], and I) new Administrative and Team Member Policies and Procedures. [12:45]

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. [13:15]

Manager Byrne was not in attendance due to his mother's memorial service, and his report was given by printed slides from his PowerPoint® presentation that had been sent to the board prior to the meeting, and then CEO Gaskill gave a verbal update to the slides. (13:20)

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. (13:28)

Manager Johnson 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. (13:29)

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. (13:30)

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. (13:32)

Upon motion duly made, seconded and carried the management reports were accepted. (13:32)

The written safety report of February 10, 2009, 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. (13:45)

Attorney Starr had no report, and attorney Westbrook reported on the Good Samaritan transformer damage case. (13:46)

CEO Gaskill requested that the board approve an agreement with Centura Health for EAP assistance to the employees of the association. Upon motion duly made, seconded and carried CEO Gaskill's recommendation was adopted and he was authorized to sign the contract. CEO Gaskill requested that the board approve an agreement with Tri-State regarding net metering for customers of the association under the existing Tri-State policy 117. Upon motion duly made, seconded and carried CEO Gaskill's recommendation was adopted and he is authorized to sign the contract with Tri-State. CEO Gaskill requested that the board approve an agreement with Tri-State regarding delegation of responsibility for compliance with FERC's distribution system reliability standards. Upon motion duly made, seconded and carried CEO Gaskill's recommendation was adopted and he is authorized to sign the contract with Tri-State. CEO Gaskill distributed a list of accounts that should be declared uncollectible. Upon motion duly made, seconded and carried the accounts on the list presented by CEO Gaskill were declared uncollectible [1,025 accounts for a total of \$182,378.50]. [13:55] At this time the managers left the board room.

Director Hansen reported on Tri-State matters. A written report on Tri-State had been distributed prior to the meeting. [14:08]

Director Diehl reported on WUESC matters. A written report on WUESC had been distributed prior to the meeting. [14:12]

Director Park reported on CREA matters. A written report on CREA had been distributed prior to the meeting. [14:19]

Upon motion duly made, seconded and carried President Croonquist was designated as delegate and Vice-President Schneider was designated as alternate to the CRC Annual Meeting June 16-18 at the Hyatt in Denver (in conjunction with the NRUCFC Forum). [14:24]

Those attending the NRECA Annual meeting reported on the meetings. Other upcoming meetings were discussed: CREA Annual Meeting February 28-March 3 in Denver, NRECA Director's Conference March 22-26, PVREA Annual member meeting on March 28, the PVREA Annual reorganization and regular board meeting on March 28, the Tri-State Annual member meeting April 8-9 in

Denver, and the NRUCFC Forum and CRC Annual Meeting June 16-18 at the Hyatt in Denver. [14:44]

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. [14:49]

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. 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. [15:08]

There being no further business to come before the meeting, upon motion duly made, seconded and carried, the meeting was recessed until March 28, 2009. [15:08]

Thaine J. Michie –Secretary

ATTEST:

Keith D. Croonquist – President

NOTE: The 2009 Board meeting dates have been set as follows: 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.