

Record of Minutes

Colorado 31 Larimer

Poudre Valley Rural Electric Association, Inc.

June 30, 2009

President Keith D. Croonquist called the meeting to order at 8:55 a.m. All Directors were present, except director Hole (medical). Also attending were CEO Brad Gaskill, Finance and Corporate Services Interim Manager Lisa Wright, Operations Services Manager Tim Stanton, Human Resources and Safety Services Manager Duane Ziller, Member Services Manager Myles Jensen, Engineering Services Manager Byrne and Attorneys Randolph Starr and Michael Westbrook.

There being no further business to come before the May 26, 2009, meeting of the Board, upon motion duly made, seconded and carried, the meeting was adjourned.

President Croonquist called the regular June Board meeting to order.

Changes to the Agenda were made by President Croonquist: None, and there will be an executive session at the end of the meeting. [08:56]

President Croonquist asked for comment from the public, and there was no comment. [08:56]

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

1. Minutes of the Board Meeting on May 26, 2009.
2. Work Order Form 219 (#787-05-09) in the amount of \$1,838,536.72.
3. Construction contracts for June, 2009, on the list given to the Board prior to the meeting.
4. Estate capital credits discounted payment on the list given to the Board prior to the meeting in the amount of: \$5,882.34. [08:57]

CEO Gaskill distributed additional documents received since the Board packet had been mailed. [09:00]

CEO Gaskill gave a verbal and PowerPoint® report on various financial matters. Questions were asked by the Board and answered by CEO Gaskill and Manager Wright. During the presentation director Hole entered the board room. [09:11] Upon motion duly made, seconded and carried the financial report was accepted. [09:30]

CEO Gaskill reported on the status of: A) Moblesource payment update email from Robert Dunford (payment at the time of acceptance), B) status of the proposed sale of about 1.59 acres to the Windsor-Severance Fire Protection with input from Manager Byrne, C) update on status of Town of Wellington franchise with input from attorney Westbrook, D) status of the current headquarters remodeling project with new remodel project given to an architect for design and a proposal to retain the existing contractor for the new project; and upon motion duly made, seconded and carried the new remodel project was approved within the budget described by CEO Gaskill, E) USDA, Rural Development REDLG program (Berthoud High School) however the status of the loan may change the acceptance of the program funds; and Manager Jensen also gave an update; and the consensus of the board was for management to move forward on any other project that management believes is acceptable to the association, F) Timberline Energy's 1.5Mw Larimer County landfill methane generation project that would require a purchase of the output by the association, G) AMI Project with ARRA grant application with input from Manager Jensen, H) Climate change legislation update, I) Update on RUS loan funds; J) MSEDCL Indian delegation visit July 6-7. [10:48]

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. [11:03] After the presentation director Schneider left the board room.

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. [11:15]

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. [11:16]

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. [11:20]

Interim Manager Wright gave her report by printed slides from Mr. Johnson's PowerPoint® presentation that had been sent to the Board prior to the meeting. CEO Gaskill updated the report. [11:29]

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. [11:30]

Upon motion duly made, seconded and carried the management reports were accepted. [11:30]

The written safety report of June 9, 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. [11:47]

Attorney Starr reported on Amendment 54 issues and on the Hotel Gold Crown litigation. There also will be a report during the executive session on WECC and employee matters. [11:56]

Director Diehl reported on WUESC matters. A written report on WUESC had been distributed prior to the meeting. [12:01]

At this time the regular luncheon break was taken. [reconvene at 12:44]

Mike Johnson appeared by telephone and talked about his past employment with the association and his new work in Illinois. [12:51]

President Croonquist attended the CREA Board meeting due to director Schneider's schedule conflict; and President Croonquist reported on CREA matters. A written report on CREA had been distributed prior to the meeting. [13:00]

Director Michie reported on Tri-State matters. A written report on Tri-State had been distributed prior to the meeting. [13:10] At this time attorney Westbrook left the board room.

CEO Gaskill presented a number of matters for action by the board:

1. Capital Credit Retirement for 2009. Director Schneider entered the board room during the discussion. [13:15] CEO Gaskill presented alternatives for refunds of capital credits based on the current policy of the association. He distributed a list of the past history of retirements. Upon motion duly made, seconded and carried retirement (½ LIFO, ½ FIFO) of \$1,200,000 accrued capital credits of the association and \$432,500 of Tri-State (total \$1,632,500) was approved to the members under the Articles of Incorporation, Bylaws, Tariffs, Rules, Regulations and Policies of the association. [13:35]

2. American Red Cross Sponsorship. No action was taken. [13:36]

3. Western States Burn Center Sponsorship. A contribution of \$300 was approved. [13:41]

4. Keep Milliken Beautiful Sponsorship. No action was taken. [13:42]

No designation of a delegate or alternate to the Basin Electric special member meeting (August 13 in Bismarck) was made. Upon motion duly made, seconded and carried the Vice-President was designated as delegate and director Lock was designated as the alternate to the CREA Semi-annual member meeting, the Western United Annual Member meeting; and the President was designated as delegate and the Vice-President was designated as alternate to the NRECA Region VII meeting (October 13-15, Cheyenne). [13:46]

Those attending the CoBank Energy Directors Conference, the CRC Annual meeting, and the CFC Forum reported on the meetings. Other upcoming meetings were discussed: PVREA Board meeting on July 31 and the PVREA Strategic Planning meeting on August 7. [14:07]

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. [14:10]

Discussion of utility industry and association issues ensued. [14:16] A short break was taken. [14:19]

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 and advice of legal counsel. 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. [15:29]

There being no further business to come before the meeting, upon motion duly made, seconded and carried, the meeting was recessed until July 31, 2009, at 9:00 A.M. [15:29]

Thaine J. Michie –Secretary

ATTEST:

Keith D. Croonquist – President

NOTE: The 2009 Board meeting dates have been set as follows: July 31, 2009, Strategic Planning meeting on August 7, 2009 at 8:30 a.m., August 25, 2009, September 29, 2009, October 27, 2009, November 24, 2009, December 22, 2009.