

# Record of Minutes

## Colorado 31 Larimer

### Poudre Valley Rural Electric Association, Inc.

**July 31, 2009**

President Keith D. Croonquist called the meeting to order at 9:00 a.m. All Directors were present, except directors Hole (medical), Schneider (at CREA special board meeting) and Sutherland (vacation). 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 Jim Byrne and Attorney Randolph Starr.

There being no further business to come before the June 30, 2009, meeting of the Board, upon motion duly made, seconded and carried, the meeting was adjourned.

President Croonquist called the regular July Board meeting to order.

Changes to the Agenda were made by President Croonquist: Director Alexander asked for an addition to Item 19 to discuss outreach programs. An executive session will be held at the end of the meeting re employee insurance matters. [09:01]

President Croonquist asked for comment from the public, and there was no comment. [09:02]

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

1. Minutes of the Board Meeting on June 30, 2009.
2. Work Order Form 219 (#788-06-09) in the amount of \$286,432.91.
3. Construction contracts for July, 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: \$12,826.98. [09:03]

CEO Gaskill distributed additional documents received since the Board packet had been mailed. Discussion about attendance at meetings by board members under Policy 407 ensued. [09:18]

CEO Gaskill gave a verbal and PowerPoint® report on various financial matters. During the presentation director Hole entered the board room. (09:23)

Questions were asked by the Board and answered by CEO Gaskill. Upon motion duly made, seconded and carried the financial report was accepted. [09:52]

CEO Gaskill reported on the status of: A) Moblesource payment update; B) status of the proposed sale of about 1.59 acres to the Windsor-Severance Fire Protection with input from Manager Byrne—minor land division approved by Larimer County on consent agenda; C) update on status of Town of Wellington franchise; D) status of the current headquarters remodeling project with new remodel project; E) USDA, Rural Development REDLG program; F) [by Manager Byrne] Timberline Energy's (now Larimer Energy, LLC) 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) Richard Lake to Waverly 115kV project update; I) Boomerang Substation project update with input from Manager Byrne; J) Lyons Jr.-Sr. High School solar project update; K) Sun Edison solar project update; L) strategic plan update—and some of the managers made comments; M) Alternate work week update; N) Climate change legislation update. [11:58]

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

CEO Gaskill continued his report on the status of: N) Climate change legislation update—a Motion was made to place a letter as a bill stuffer to the members from the board about the concerns of the board on the Waxman-Markey bill, the motion was seconded, and the Motion was approved; O) Boulder, Larimer & Weld County 4-H Junior Livestock sales report [The 4-H purchases for the 2009 purchases will be swine]; and P) MSEDCL Indian delegation visit overview with input from Manager Byrne. During the presentation [13:28] director Schneider entered the board room. [13:31]

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. [13:34]

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. [13:48]

CEO Gaskill [Manager Jensen was working on other matters] gave Manager Jensen's 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. [13:49]

Interim Manager Wright gave her report by printed slides from her PowerPoint® presentation that had been sent to the Board prior to the meeting, and then she updated the report. [13:51]

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. [13:51]

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. [13:55]

Upon motion duly made, seconded and carried the management reports were accepted. [13:55]

The written safety report of July 8, 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. [14:06]

Attorney Starr had no legal report. [14:06]

Director Schneider reported on CREA matters. A written report on CREA had been distributed prior to the meeting. [14:13]

Director Michie reported on Tri-State matters. A written report on Tri-State had been distributed prior to the meeting. [14:32]

Director Diehl reported on WUESC matters. A written report on WUESC had been distributed prior to the meeting. [14:37]

- CEO Gaskill presented a number of matters for action by the board:
- A. Interconnection of Generation Resource contract with Larimer Energy, LLC was approved. [14:40]
  - B. Renewable Energy Performance Payment contract with Tri-State was approved. [14:40]
  - C. Project Agreement for Northern Colorado Energy Star® new homes program was approved [Pat Plank made part of the presentation]. [14:44]
  - D. Resolution was approved regarding AMI project support as follows:

#### **AMI Project and ARRA Grant Application**

WHEREAS, Poudre Valley Rural Electric Association, Inc. has applied for a United States Department of Energy grant for a Smart Grid Investment (SGIG) under Section 1306 of the Energy Independence and Security Act of 2007 (EISA) as modified by the American Recovery and Reinvestment Act of 2009 (ARRA); and

WHEREAS, the Board of Directors of Poudre Valley Rural Electric Association, Inc. has approved and adopted a capital budget that includes the expenditure of \$9,983,315.00 for an Advanced Metering Infrastructure (AMI) system that will be deployed throughout the entire service area of the Association in Larimer, Weld and Boulder Counties; and

WHEREAS, the AMI system of the Association is part of the “Smart Grid” technology that is adopted as a goal of EISA and ARRA that will provide:

- Increased use of digital information and control technologies
- Dynamic optimization of grid operations and resources with full cyber security
- Integration of distributed resources including renewables
- Incorporation of demand response, demand-side resources, and energy efficiency;
- Deployment of real-time, automated, interactive technologies for metering, communications, and distribution automation
- Integration of smart appliances and consumer devices
- Integration of electricity storage and peak shaving technologies including plug-in electric vehicles and thermal storage air conditioning
- Provision of timely information and control options to consumers
- Development of standards for interoperability
- Lowering of unnecessary barriers to smart grid technologies, practices, and services

As described by FERC in a proposed policy statement: Smart Grid advancements will apply digital technologies to the grid, and enable real-time coordination of information from generation supply resources, demand resources, and distributed energy resources . . . . This will bring new efficiencies to the electric system through improved communication and coordination between utilities and with the grid, which will translate into savings in the provision of electric service. Ultimately the Smart Grid will facilitate consumer transactions and allow consumers to better manage their electric energy costs. These technologies will also enhance the ability to ensure the reliability of the bulk-power system.

The Smart Grid concept envisions a power system architecture that permits two-way communication between the grid and essentially all devices that connect to it, ultimately all the way down to large consumer appliances.

WHEREAS, with the AMI system the member / consumers of the Association will benefit from the installation of the AMI system because they will be able to make energy efficient choices to shift usage from on-peak periods to off-peak periods with their access to real-time information on energy usage from their location; and

WHEREAS, with the AMI system the member / consumers of the Association will be able to reduce their usage in response to pricing or to voluntary load reduction events; and

WHEREAS, with the AMI system the Association will benefit due to the ability to remotely read meter data in intervals so that member / consumers of the Association may be billed on their time of use so that electric demand can be shifted from on-peak periods to off-peak periods; and

WHEREAS, with the AMI system the member / consumers of the Association will become more environmentally friendly by reducing their carbon footprint by shifting the time of use of their electricity; and

WHEREAS, Board of Directors desires to reaffirm its support for the AMI system program for the Association so that the SGI Grant is fully funded;

NOW THEREFORE, it is resolved that the Board of Directors supports the AMI system for Poudre Valley Rural Electric Association, Inc. as provided in the currently adopted Budget of the Association, and it is resolved that the Board of Directors fully support the funding of the Smart Grid Investment Grant to the maximum extent available.

**E. RMEL Silent Auction donation of \$200.00 was approved. [14:47]**

Other upcoming meetings were discussed: PVREA Strategic Planning meeting on August 7 (commence 8:30 a.m.) and PVREA Board meeting on August 25. President Croonquist distributed a tentative agenda and the scheduling of the components was discussed. Arrangements for the upcoming NRECA Region VII meeting ensued. Those board members who are attending were designed by the President under Policy 407. [15:01]

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. [15:03]

Discussion of utility industry and association issues ensued. Outreach programs were discussed by director Alexander. CEO Gaskill responded to questions by director Alexander. [15:10]

Upon motion duly made, seconded and unanimously carried the board entered executive session to consider documents or testimony given in confidence generally relating to union election and employee retirement and insurance and other 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. [15:37]

There being no further business to come before the meeting, upon motion duly made, seconded and carried, the meeting was recessed until August 7 at 8:30 A.M. for the strategic planning meeting and then to August 25, 2009, at 9:00 A.M. [15:37]

---

Thaine J. Michie –Secretary

ATTEST:

---

Keith D. Croonquist – President

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