

Record of Minutes

Colorado 31 Larimer

Poudre Valley Rural Electric Association, Inc.

October 27, 2009

President Keith D. Croonquist called the meeting to order at 9:00 a.m. All Directors were present. Also attending were CEO Brad Gaskill, Chief Financial Officer Jeff Wadsworth, [Operations Services Manager Tim Stanton was unable to attend due to a training seminar], Human Resources and Safety Services Manager Duane Ziller, Member Services / External Affairs Manager Myles Jensen, Engineering Services Manager Jim Byrne and Attorney Randolph Starr and Michael Westbrook. Guest Craig Godbout also was in the board room and he is working on his masters thesis at CSU.

There being no further business to come before the September 29, 2009, meeting of the Board, upon motion duly made, seconded and carried, the meeting was adjourned.

President Croonquist called the regular October Board meeting to order.

Changes to the Agenda were made by President Croonquist: On item 5B [completed WO schedule amount] on the Agenda was modified, Add Item 9K Carestream metering issue discussion, discuss line extension policy during legal report, Add Item 9L library drop box request, Add Item 18C Longs Peak BSA donation request, Add an executive session at the end of the meeting, and add distribution of CARE/ACRE membership forms. [09:05]

President Croonquist asked for comment from the public, and there was no comment. [09:05]

President Croonquist asked for comment from the board about the text of the September Minutes regarding action on the CEO's salary and benefits. Upon motion duly made, seconded and carried, the Minutes of the Board Meeting on September 29, 2009, were approved as amended to conform to the text used in 2008 regarding the CEO's salary and benefits. [09:10]

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

1. Work Order Form 219 (#791-09-09) in the amount of \$690,481.96.
2. Construction contracts for October, 2009, on the list given to the Board prior to the meeting.
3. Estate capital credits discounted payment on the list given to the Board prior to the meeting in the amount of: \$23,072.03. [09:11]

President Croonquist presented the plaque to Director Park regarding his service as a member of the CREA Board of Directors. [09:12]

CFO Wadsworth gave a verbal and PowerPoint® report on various financial matters. Questions were asked and answered by members of the board. Upon motion duly made, seconded and carried the financial report was accepted. [09:55]

CEO Gaskill distributed additional documents received since the Board packet had been mailed. [10:03]

Messrs Todd Owen and Randy Jordal of Wells Fargo Investments entered the board room and gave a report on the status of the association's investments managed by their firm. They responded to questions from the board and staff. At the conclusion of the report Messrs Owen and Jordal left the board room. [10:33] At this time a short break was taken. [reconvene 10:41]

CEO Gaskill reported on the status of: A) Moblesource payment update ~ a motion was made, seconded and carried to abandon any further collection action and finalize payment of the association's expenses in the collection; B) status of the damage claims from the Neva Road Fire on January 7, 2009 (no change from last month); C) update on the proposed sale of about 1.59 acres to the Windsor-Severance Fire Protection with input from Manager Byrne; D) update on status of Town of Wellington franchise; E) update on Timberline Energy's (now Larimer Energy, LLC) 1.5Mw Larimer County landfill methane generation project from which the association will purchase the electric output with input from Manager Byrne; F) update on the association's AMI project and the ARRA grant application status [grant denied by DOE] with input from Manager Jensen; G) update on the status of the Richard Lake to Waverly transmission line project of Tri-State with input from Manager Byrne; H) update on Boomerang Substation construction project with input from Manager Byrne; I) update on the Front Range Energy, PRESYS Energy Group and association demonstration project; J) presentation and discussion of the proposed 2010 schedule of meetings for the board of directors of the association, K) Carestream metering issue discussion with input from Manager Byrne, [12:13]

At this time the regular luncheon break was taken. [reconvene at 13:01] At this time Mr. Godbout left the board room. At this time Doug Swartz and Dave Talbot entered the board room.

CEO Gaskill continued his report: L) discussed a Poudre River Public Library District drop box installation request.

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. [13:11]

Doug Swartz and Dave Talbot [Project Coordinator] gave a PowerPoint® presentation regarding the Northern Colorado Energy Star® Homes. They requested funding for the program. The association is a participant in the program. [13:44]

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. [13:44]

CEO Gaskill [Manager Stanton was unable to attend] gave Manager Stanton'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. [13:51]

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. [13:56]

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. [13:57]

CFO Wadsworth 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. [13:57]

Upon motion duly made, seconded and carried the management reports were accepted. [13:58]

The written safety report of October 12, 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. [14:07]

Attorney Starr reported on the NexHorizon cable television company bankruptcy matter, and a decision of an administrative law judge regarding the line extension policy of Grand Valley Rural Power Lines. Discussion ensued about possible revisions to the line extension policy of the association. Upon motion duly made, seconded and carried the legal report was accepted. [14:20]

Director Schneider reported on CREA matters. A written report on CREA had been distributed prior to the meeting. [14:33]

Director Michie reported on Tri-State matters. A written report on Tri-State had been distributed prior to the meeting. [14:45]

Director Diehl reported on WUESC matters. A written report on WUESC had been distributed prior to the meeting. [14:50] Director Michie added to his report regarding possible bill credit for increased income. [14:55]

CEO Gaskill lead a review of Board Policies in Article 1 ~ General / Overview, Article 2 ~ Member Matters, and Article 3 ~ Employee Matters. One substantive change to the text was proposed by CEO Gaskill and there were other typographical changes he suggested. No member of the board suggested any changes in the policies. The typographical changes will be approved at the November board meeting and the substantive change (regarding sending of information to customers) will be deferred for consideration and action to the November board meeting. Other Board Policies will be reviewed at the November board meeting. [15:08]

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

A. Third Quarter 2009 amendments to the capital budget and the update to the operating budget of the association were presented by CEO Gaskill as contained in the material sent to the board prior to the meeting. No action was taken.

B. CEO Gaskill presented the proposal of the group called "Progressive 15" for membership. Materials relating to the group were given to the board in the material sent to the board prior to the meeting. Upon motion duly made, seconded and carried the association was authorized and directed to join the Progressive 15 group on a divided vote.

C. CEO Gaskill presented a request for funding to the Longs Peak Council of the Boy Scouts of America related to the Ben Delatour Scout Ranch. No action was taken. [15:30]

Other past and upcoming meetings were discussed: NRECA Region VII meeting [Cheyenne], CREA Semi-Annual and Western United Annual meeting and NRECA Colorado membership meeting [Telluride], PVREA Member Information meeting this evening on October 27, Basin Electric Power Cooperative annual meeting [Bismarck] on November 4-5, and PVREA Board meeting on November 24. [15:47]

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. [15:55]

President Croonquist distributed information on the CEO evaluation data. [15:56]

Discussion about medical insurance ensued. Sue Knapp and Duane Ziller entered the board room and responded to questions about the current and future

medical insurance plans that are available to members of the board and to employees. A change in the action from the September board action was proposed to have a two tier system for board members related to medical insurance coverage; and the break point being based on the age of the board member being over or under 65 years. The proposal was to have the association provide at the expense of the association medical insurance coverage for the director under the NRECA HDHP PPO Plan with the association to provide to each director an additional medical insurance allowance of \$2,700 per year; and that any director who declines the foregoing coverage would receive \$10,000 per year [payable monthly] effective on January 1, 2010 as a medical insurance allowance; and any director and spouse can obtain medical insurance coverage available through the association using the medical insurance allowance [this proposal would void the action taken at the September board meeting]. A motion was made to adopt the foregoing proposal. The motion was seconded. The motion was passed on a divided vote. [17:44]

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 and employee compensation 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. [17:51]

A motion to exit the executive session was made, seconded and carried. [17:51]

There being no further business to come before the meeting, upon motion duly made, seconded and carried, the meeting was recessed until November 24, 2009, at 9:00 A.M. [17:52]

Thaine J. Michie –Secretary

ATTEST:

Keith D. Croonquist – President

NOTE: The 2009 Board meeting dates have been set as follows: November 24, 2009, December 22, 2009, January 26, 2010, February 23, 2010, March 27 (reorganization + full agenda), 2010, April 27, 2010, May 25, 2010, June 29, 2010, July 27, 2010, August 31, 2010, September 28, 2010, October 26, 2010, November 30, 2010, December 21, 2010. The annual meeting of members for 2010 will be at the Embassy Suites Convention Center in Loveland on Saturday, March 27, 2010.