

Record of Minutes

Colorado 31 Larimer

Poudre Valley Rural Electric Association, Inc.

January 26, 2010

President Keith D. Croonquist called the meeting to order at 9:02 a.m. All directors were present except director Park (schedule conflict) and director Johnson (medical). Also attending were CEO Robert B. Gaskill, Chief Financial Officer Jeff Wadsworth, Operations Services Manager Tim Stanton, Human Resources and Safety Services Manager Duane Ziller, Member Services and External Affairs Manager Myles Jensen, [Engineering Services Manager E. James Byrne is in India] and Attorney Randolph Starr.

There being no further business to come before the December 22, 2009, meeting of the Board, upon motion duly made, seconded and carried, the meeting was adjourned.

President Croonquist called the regular January Board meeting to order.

Changes to the Agenda were made by President Croonquist: Add Item 8(C) Rocky Mountain Raptor program, and 8(D) Colorado Foundation For Agriculture, and 8(E) action on proxy to ditch company meeting, 8(J) discussion about relief for Haiti. [09:05]

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

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

1. Upon motion duly made, seconded and carried, the Minutes of the Board Meeting on December 22, 2009, were approved.
2. Work Order Form 219 (#794-12-09) in the amount of \$1,006,739.85.
3. Construction contracts for January, 2010, on the list given to the Board prior to the meeting [none].
4. Estate capital credits discounted payment on the list given to the Board prior to the meeting in the amount of: \$19,378.65. [09:05] Questions about the work orders and accounting were posed and answered. [09:12]

CEO Gaskill distributed additional documents received since the Board packet had been mailed. Discussion about the letters documents ensued. [09:15]

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. [09:49]

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

A. Request for sponsorship of the Colorado Agriculture Hall of Fame Banquet scholarship. Upon motion duly made, seconded and carried a small table sponsorship was approved (\$550.00).

B. Request for sponsorship for the Rocky Mountain Raptor Research Foundation annual conference for 2010. Upon motion duly made, seconded and carried a donation of \$500.00 was approved.

C. Request for a fundraiser to the Rocky Mountain Raptor Program. No action was taken.

D. Request for fundraiser for the Colorado Foundation For Agriculture. No action was taken. A contribution of products was given by staff for the silent auction.

E. Upon motion duly made, seconded and carried the association was authorized to sign the proxy to the annual meeting of the Louden Irrigating Canal and Reservoir Company and the Louden Extension Ditch Company to Dale Leach. [10:02]

CEO Gaskill reported on the status of: A) update on the sale of about 1.59 acres to the Windsor-Severance Fire Protection District [10:07]; B) 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 [10:30]; C) update on the association's AMI project and the ARRA grant application reviewers comments with input from Manager Jensen [10:46]; D) update on the status of the Richard Lake to Waverly transmission line project of Tri-State [10:51]; E) update on Boomerang Substation construction project [10:52]; H) update on the Front Range Energy, PRESYS Energy Group and association demonstration project [10:57]; F) Kodak-Carestream metering issue discussion [11:04]; G) status of the proposed changes to the Rules and Regulations of the Association and the rules related to Line Extensions [11:08]; and H) update on preparations for the annual meeting of members with input from Manager Jensen. [12:05]

At this time the regular luncheon break was taken. [reconvene at 12:45]

Director Alexander announced his appointment to the CRES board of directors. [12:47]

Discussion about scheduling a March board meeting ensued. A motion was made and seconded to meet on Tuesday, March 23 in a regular meeting with a reorganization (annual) board meeting after the results of the election are announced. Further discussion about the benefits and costs of the meeting ensued. The motion was put to a vote and the motion passed by majority vote. [12:57]

J) Discussion ensued about a contribution to relief efforts in Haiti after the major earthquake in Port-Au-Prince. Upon motion duly made, seconded and carried \$1,000, or the amount donated by team members to the relief effort if greater than \$1,000, was donated to the NRECA International Foundation for use in relief in Haiti. [13:01]

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. Discussion about pending legislation ensued. [13:31]

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. [13:33]

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. [13:33] A question ensued about the CEO's report. Director Michie responded to questions involving Tri-State. [13:43]

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. [13:52]

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]

CEO Gaskill [Manager Byrne was unable to attend] gave Manager Byrne's report by printed slides from his PowerPoint® presentation that had been sent to the Board prior to the meeting, and then 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 January 12, 2010, 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. [14:10] At this time director Sutherland left the board room.

Attorney Starr reported on the bankruptcy of NexHorizon of Colorado, Inc. and the effect on the pole attachments on the association's lines. Other matters were discussed regarding claims. [14:15] At this time the managers left the board room.

Director Schneider reported on CREA matters. A written report on CREA had been distributed prior to the meeting. [14:17]

Director Diehl reported on WUESC matters. A written report on WUESC had been distributed prior to the meeting. [14:22]

Director Michie had no additional report on Tri-State matters. A written report on Tri-State had been distributed prior to the meeting. [14:22]

CEO Gaskill had attached the Board Policies, Article 4, Section 4.01 to 4.05, to the board materials and each of the policies was reviewed. Further discussion may occur at a strategic planning meeting. Board Policy 4.04 was discussed by CEO Gaskill and Section 1.03.02 should have the title of "Manager of Finance / Corporate Services" to "Chief Financial Officer." [14:40]

Other past and upcoming meetings were discussed: PVREA Board Meeting on February 23, NRECA Annual Member Meeting February 14-17, 2010, CREA Annual Member Meeting February 27-March 2, 2010, NRECA Director's Conference March 20-24, PVREA regular board meeting on March 23, and PVREA Annual Member Meeting on March 27. [14:54]

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. Upon motion duly made, seconded and carried the General Counsel's expense report was approved. [14:56]

Discussion ensued about virtually identical correspondence received by the association regarding an energy efficiency program. [15:06]

CEO Gaskill proposed to change the July board meeting to July 20. Upon motion duly made, seconded and carried the July board meeting was changed to July 20 commencing at 9:00 a.m. [15:09]

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 grievance 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. [15:32]

There being no further business to come before the meeting, upon motion duly made, seconded and carried, the meeting was recessed until February 23, 2010, at 9:00 A.M. [15:32]

Thaine J. Michie –Secretary

ATTEST:

Keith D. Croonquist – President

NOTE: The 2010 Board meeting dates have been set as follows: February 23, 2010, March 23, 2010 [note new date], March 27 (reorganization), 2010, April 20, 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.