

Record of Minutes

Colorado 31 Larimer

Poudre Valley Rural Electric Association, Inc.

April 20, 2010

President Jack R. Schneider called the meeting to order at 8:54 a.m. All directors were present except director Alexander (business). 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 [absent—personal leave], Engineering Services Manager E. James Byrne, and Attorneys Randolph Starr and Michael Westbrook.

There being no further business to come before the February 23, 2010, meeting of the Board, and the March 27, 2010, annual Board meeting, upon motion duly made, seconded and carried the meeting was adjourned.

President Schneider called the regular April Board meeting to order.

Changes to the Agenda were made by President Schneider as follows: Add action prior to Section 6 on the Our Energy Our Future Campaign. [08:55]

President Schneider asked for comment from the public, and there was no comment. [08:55]

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

1. Minutes of the Board Meeting on February 23, 2010.
2. Minutes of the Annual Member Meeting on March 27, 2010.
3. Minutes of the Board Meeting on March 27, 2010.
4. Work Order Form 219 (#796-02-10) in the amount of \$73,186.18.
5. Work Order Form 219 (#797-03-10) in the amount of \$1,302,574.39.
6. Construction contracts for March and April, 2010, on the list given to the Board prior to the meeting.
7. Estate capital credits discounted payment for February in the amount of: \$22,904.39 and March in the amount of: \$9,430.36 on the list given to the Board prior to the meeting. [08:56]

CEO Gaskill discussed the Our Energy, Our Future letter writing campaign and a deadline for participation that is today [\$3,926.00 is the cost]. Upon motion duly made, seconded and unanimously carried, the expenditure and participation in the letter writing campaign was approved. CEO Gaskill distributed additional documents received since the Board packet had been mailed. [09:00]

The written safety reports of March 9, 2010 and April 8, 2010, had been sent to the Board prior to the meeting. CEO Gaskill reviewed the contents of the reports. Upon motion duly made, seconded and unanimously carried, the safety reports were accepted. [09:18]

CEO Gaskill presented a number of matters for action by the Board; and upon motion duly made, seconded and unanimously carried the following actions were taken:

A. Approve the signatures on the Association's accounts for the newly elected officers of the Association. [09:22]

B. Approve the credit card authorization on the Association's credit cards for certain members of the Board of the Association. [09:27]

At this time Mr. Roger Schmidt, Jr. of Schmidt & Company, LLC was called by speaker phone into the Board room and he gave an oral report to the Board about the 2009 financial audit of the Association. A copy of the audit report was provided to the Board prior to the meeting. Upon motion duly made, seconded and unanimously carried the audit was accepted. Mr. Wadsworth went through the questions on the questionnaire about the IRS Form 990 that had been distributed. The questionnaire was then filled out by each Board member, signed and delivered to Mr. Wadsworth for use in preparation of the Form 990. [10:07]

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. [10:33]

At this time Pat Plank and Ric Soulen entered the Board room. Consideration on Section 10 proceeded.

C. It was the consensus of the Board to approve further study on the creation of and funding for the Poudre Valley Rural Electric Association CARE Foundation project. [11:06]

CEO Gaskill reported on the status of: A) update on the sale of about 1.59 acres to the Windsor-Severance Fire Protection District~with additional input from Manager Byrne [11:11]; B) update on Timberline Energy's (now Larimer Energy, LLC) Larimer County landfill methane gas generation project~with additional input from Manager Byrne [11:21]; C) update on the Association's AMI project [11:31]; D) update on the Front Range Energy, PRESYS Energy Group and Association demonstration project~with additional input from Manager Byrne [11:32]; E) update on the transfer of transmission assets to Tri-State~with additional input from director Michie [11:43]; F) 2009 OSHA Form 300A~updated form sent to the Board prior to the meeting [11:45]; G) loan fund and accounting review dated February 27, 2010 sent to the Board prior to the meeting [11:47]; H)

debriefing on the Association's annual member meeting~with additional input from Pat Plank [12:00].

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

CEO Gaskill continued his report on the status of: I) discussion on the Rural Energy Savings program [12:58]; J) presentation by Manager Wadsworth on the lock box bill payment program previously approved as part of the budget [13:16];

Messrs Todd Owen and Randy Jordal of Wells Fargo Investments entered the Board room [13:05] 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. At this time Attorney Westbrook left the Board room. [13:41]

CEO Gaskill continued his report on the status of: K) Manager Wadsworth discussed the new director expense reimbursement form that had been sent to the Board prior to the meeting [13:48]; L) CAMU electric rate comparison sheets sent to the Board prior to the meeting were reviewed and discussed [13:56]; M) discussion about a date for a work / strategic planning meeting of the Board~**a work session (no staff) was scheduled for Monday May 24, 2010 starting at 9 a.m. and ending at about 3 p.m. in the Board room.** [14:08] At this time director Anderson left the Board room.

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. [14:29]

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 had to leave to attend a meeting out of town, so CEO Gaskill gave a verbal update to the slides. [14:30]

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. [14:31]

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. [14:42]

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 since he was unable to attend the meeting CEO Gaskill gave a verbal update to the slides. [14:424]

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. [14:42]

Upon motion duly made, seconded and unanimously carried the management reports were accepted. [14:43]

Attorney Starr had no report. At this time the managers left the Board room. [14:44]

Director Lock reported on WUESC matters. A written report on WUESC had been distributed prior to the meeting. [14:45]

Director Schneider reported on CREA matters. A written report on CREA had been distributed prior to the meeting. [14:52]

Director Michie reported on Tri-State matters. A written report on Tri-State had been distributed prior to the meeting. [15:03]

CEO Gaskill reported on the Green Energy Summit in Fort Collins. [15:08]

Upon motion duly made, seconded and unanimously carried Jeff Wadsworth was designated as delegate to the CRC Annual Meeting. [15:09]

Other past and upcoming meetings were discussed: NRECA Director's Conference March 20-24; Tri-State Annual Meeting April 7-8; NRECA Legislative Conference May 2 to 5 in Washington, D.C.; CoBank Energy Directors Conference May 17 to 19 in Colorado Springs; Board meeting May 25; and CFC Forum 2010 on June 7 to 9 in Philadelphia, PA. [15:30]

Each of the Board members reported on the contents of their respective Board billing sheets. Upon motion duly made, seconded and unanimously carried, the reports were approved. Upon motion duly made, seconded and unanimously carried, the CEO's expense report was approved. Upon motion duly made, seconded and unanimously carried the General Counsel's expense report was approved. [15:40]

Upon motion duly made, seconded and unanimously carried the Board entered executive session to consider documents or testimony given in confidence generally relating to board relation 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 unanimously carried. [15:55]

A question was asked and answered about the employee benefit cost for the future; and CEO Gaskill responded to the question. Further discussion ensued. [16:15]

There being no further business to come before the meeting, upon motion duly made, seconded and carried, the meeting was recessed until the Board work session on May 24, 2010, at 9:00 a.m. and then to the regular Board meeting on May 25, 2010. [16:15]

Robert A. Lock – Secretary

ATTEST:

Jack R. Schneider – President

NOTE: The 2010 Board meeting dates have been set as follows: May 24, 2010 (work session), May 25, 2010, June 29, 2010, July 27, 2010, August 31, 2010, September 28, 2010, October 26, 2010, November 30, 2010, December 21, 2010.