

Record of Minutes

Colorado 31 Larimer

Poudre Valley Rural Electric Association, Inc.

February 23, 2010

President Keith D. Croonquist called the meeting to order at 9:00 a.m. All directors were present. 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, and Attorneys Randolph Starr and Michael Westbrook.

There being no further business to come before the January 26, 2010, meeting of the Board, upon motion duly made, seconded and carried, the meeting was adjourned.

President Croonquist called the regular February Board meeting to order.

Changes to the Agenda were made by President Croonquist: move Agenda Item 9I to 8B to take action on the Rules and Regulations and Line Extension Tariffs, add Item 8C a request for funding for Embrace Colorado, add Item 16C Tri-State Annual meeting delegate and alternate, add three matters to Item 21: a discussion about the contributions to Haiti relief, reconsider having the March 23 Board meeting, and Farmers Union meeting candidate forum. [09:04]

President Croonquist asked for comment from the public, and there was no comment. [09:04]

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 January 26, 2010, were approved.
2. Work Order Form 219 (#795-01-10) in the amount of \$110,738.45.
3. Construction contracts for February, 2010, 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: \$[none]. [09:05]

CEO Gaskill distributed additional documents received since the Board packet had been mailed. [09:08]

CFO Wadsworth gave a verbal and PowerPoint® report on various financial matters. Questions were asked and answered by members of the board.

A new format of financial information was presented in the board materials along with the RUS Form 7 for the calendar 2009 year end. Upon motion duly made, seconded and carried the financial report was accepted. Upon motion duly made, seconded and unanimously carried the RUS Form 7 was accepted. [10:06]

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 write off of accounts deemed uncollectable in the amount of \$225,599.49. [10:17]

B. Reaffirm the December 22, 2009, approval of the changes to General Rules and Regulations / Line Extension Policies as set forth in the Tariffs, Rules and Regulations attached to the board materials for the January Board meeting to become effective on March 1, 2010. [10:30]

C. Approve a request for funding for Embrace Colorado in the amount of \$1,000.00 by a majority vote. [10:44]

CEO Gaskill reported on the status of: A) CREA Proposed Resolutions for 2010 Annual Meeting~Upon motion duly made, seconded and carried by a majority vote it was recommended to the delegate to the CREA Annual Meeting to approve the Resolutions [10:54]; B) 2009 OSHA Form 300A~with additional input from Manager Ziller [10:57]; C) 2009 NRECA National Directors Survey Results [11:02]; D) Community For Sustainable Energy member letters~with additional input from Manager Jensen [11:30]; E) update on the sale of about 1.59 acres to the Windsor-Severance Fire Protection District~with additional input from Manager Byrne [11:36]; F) update on Timberline Energy's (now Larimer Energy, LLC) 1.5Mw Larimer County landfill methane generation project~with additional input from Manager Byrne [11:46]; G) update on the association's AMI project~with input from Manager Jensen [12:03];

At this time the regular luncheon break was taken. At this time Director Park left the building. [reconvene at 12:48]

CEO Gaskill continued his report on the status of: H) update on the Front Range Energy, PRESYS Energy Group and association demonstration project~with additional input from Manager Byrne [12:52] At this time Director Park entered the Board room; I) [(Tariffs) moved to action items above]; J) update on preparations for the annual meeting of members~with input from Manager Jensen [13:56] during the report Attorney Westbrook left the Board room; and K) PVREA Administrative and Team Member Policies and Procedures enacted by the CEO. [14:02]

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 the Tri-State Policies 109 and 110 ensued. Discussion on pending legislation ensued. [14:41]

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. [14:43]

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. [14:43]

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. [14:44]

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. Manager Byrne gave a report on the USAID exchange trip to India. [14:50]

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. [14:54]

Upon motion duly made, seconded and unanimously carried the management reports were accepted. [14:54]

The written safety report of February 11, 2010, was sent to the Board prior to the meeting. CEO Gaskill reviewed the contents of the report. Upon motion duly made, seconded and unanimously carried, the safety report was accepted. [15:13]

Attorney Starr reported on the Colorado Supreme Court's decision on February 22 about Amendment 54 and the bankruptcy of NexHorizon of Colorado, Inc. and the effect on the pole attachments on the association's lines. He also reported on the NRECA Legal Seminar 50 and the Electric Cooperative Bar Association Annual Meeting in Atlanta. [15:18] At this time the managers left the board room.

Director Michie reported on Tri-State matters. A written report on Tri-State had been distributed prior to the meeting. [15:28]

Director Diehl reported on WUESC matters. A written report on WUESC had been distributed prior to the meeting. [15:30]

Director Schneider reported on CREA matters. A written report on CREA had been distributed prior to the meeting. [15:43]

Upon motion duly made, seconded and unanimously carried the President was designated as delegate and the Vice-President was designated as the alternate to the CREA Annual Meeting and to the Western United Annual Meeting. Upon motion duly made, seconded and unanimously carried the President was designated as the delegate and the Vice-President was designated as the alternate to the Tri-State Annual meeting on April 7. [15:48]

CEO Gaskill had attached the Board Policies, Article 4, Sections 4.06 to 4.10, to the board materials and each of the policies was reviewed. Upon motion duly made, seconded and unanimously carried Policy 4.07 was changed to reflect the action taken by the Board at the November 24, 2009, Board meeting re medical insurance: *A motion was made, seconded and carried to have the Association pay 1/12th of the medical insurance reimbursement amount commencing by direct deposit or by check on the first Friday in December, 2009, and on the first Friday of each month thereafter for the 2010 and later year's.* During the discussion Director Anderson left the Board room. [16:24]

Other past and upcoming meetings were discussed: NRECA Annual Member Meeting February 14-17, 2010, in Atlanta, CREA Annual Member Meeting February 27-March 2, 2010, NRECA Director's Conference March 20-24, PVREA Annual Member Meeting on March 27, and Tri-State Annual Meeting April 7-8. [16:40]

Each of the Board members reported on the contents of their respective Board billing sheets. Directors Alexander and Johnson left the Board room during the discussion. 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. [16:46]

Discussion ensued about the contributions made by employees to the Haiti relief effort in the amount of \$720. CEO Gaskill reported on the trip to India for the USAID Program. Discussion ensued about reconsideration of the scheduling of a March 23 Board meeting. Upon motion duly made, seconded and unanimously carried the March 23 Board meeting was cancelled. Discussion ensued about the Farmers Union meeting candidate forum for candidates to the Association's board election. President Croonquist discussed some correspondence to him regarding Association expenses. [17:02]

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.
[17:18]

There being no further business to come before the meeting, upon motion duly made, seconded and carried, the meeting was recessed until the Annual Board meeting on March 27, 2010, after the adjournment of the Annual Member Meeting at the John Q. Hammons Board Room at the Embassy Suites in Loveland. [17:18]

Thaine J. Michie –Secretary

ATTEST:

Keith D. Croonquist – President

NOTE: The 2010 Board meeting dates have been set as follows: 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.