

Record of Minutes

Colorado 31 Larimer

Poudre Valley Rural Electric Association, Inc.

September 20, 2010

President Jack R. Schneider called the meeting to order at 8:30 a.m. All directors (ten members) were present, except directors Alexander, Anderson and Park. 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, and Attorney Randolph Starr. Meeting facilitator Ron Ebenkamp (marketing coordinator) of Tri-State was also in attendance. Any action taken by the Board during the meeting will be confirmed at the September 28, 2010 regular Board meeting.

President Schneider called the special Board meeting to order. Mr. Ebenkamp took charge of the meeting to conduct the continuation of the strategic planning session that was started on September 2, 2010. An agenda had been provided to the Board prior to the meeting: 1) Review current goals: status~reporting; and 2) Develop 2011 goals discussion. Mr. Ebenkamp distributed a compilation of the strengths, weaknesses, opportunities and threats developed at the prior meeting. Director Anderson arrived just after the start of the meeting. Mr. Ebenkamp reviewed PowerPoint® slides that analyzed the results of the SWOT information developed at the prior meeting. During the review of strengths Director Alexander entered the Board room.

The Board then discussed what goals should be established for the Association to pursue its mission:

*Providing the power to enhance our members' lives through  
Visionary planning,  
Reliable and affordable service,  
Environmental stewardship and  
Accountability for today, tomorrow and forever.*

Member satisfaction, safety, reliability and cost have been a part of the Touchstone® Energy balanced performance scorecard program; and environmental stewardship including renewable energy and energy efficiency and community involvement were included in the goals. A statement of the goals will be developed by management for consideration by the Board at the next Board meeting:

- Continue to improve member satisfaction [American Customer Satisfaction Index (ACSI)]

- Insure safety of member-owners and team members
- Improve reliability of electric system [CAIFI, CAIDI, SAIFI, SAIDI]
- Maintain lowest sustainable reasonable cost both now and in the future
- Support development of energy efficiency, conservation and renewable energy programs
- Continue to enhance community relationships
- Provide a culture for achieving loyalty, excellence, growth and ownership of team members

At this time Mr. Ebenkamp and senior staff members left the board room. (10:55)

At this time the Board discussed the initiatives for the Board itself. The following are the modification from Page 5 of Version 1.24.1 of Strategic Board Initiative Governance (last developed in January, 2008):

- #1—Retain: "Position PVREA as a forward looking, open and compliant organization with governing policies that ensure ongoing compliance with shifting legal requirements."
- #2—Change: State that the Board will review Board Policies [some each month at the Board meeting] and Bylaws [by Committee] annually
- #3—Delete
- #4—Add: Conduct a Board assessment to identify improvement opportunities
- #5—Add: Establish process for CEO compensation<sup>1</sup>

There being no further business to come before the meeting, upon motion duly made, seconded and carried, the meeting was recessed until the regular Board meeting on **September 28, 2010 at 9:00 a.m.** A luncheon break was taken at this time. [11:35]

  
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 Robert A. Lock – Secretary

ATTEST:

  
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 Jack R. Schneider – President

NOTE: The 2010 Board meeting dates have been set as follows: September 28, 2010, October 26, 2010, November 30, 2010, and December 21, 2010.

<sup>1</sup> The American Customer Satisfaction Index (ACSI) is an economic indicator based on modeling of customer evaluations of the quality of goods and services purchased in the United States and produced by both domestic and foreign firms with substantial U.S. market shares.

The System Average Interruption Duration Index (SAIDI) is commonly used as a reliability indicator by electric power utilities. SAIDI is the average outage duration for each customer served, and is calculated as:

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$$\text{SAIDI} = \frac{\text{sum of all customer interruption durations}}{\text{total number of customers served}}$$

SAIDI is measured in units of time, often minutes or hours. It is usually measured over the course of a year, and according to IEEE Standard 1366-1998 the median value for North American utilities is approximately 1.50 hours.

The Customer Average Interruption Frequency Index (**CAIFI**) is a popular index used in electrical reliability analysis. It is designed to show trends in customers interrupted and helps to show the number of customers affected out of the whole customer base.

$$\text{CAIFI} = \frac{\text{total number of customer interruptions}}{\text{total number of customers who had at least one interruption}}$$

The Customer Average Interruption Duration Index (**CAIDI**) is a reliability index commonly used by electric power utilities. It is related to SAIDI and SAIFI, and is calculated as CAIDI gives the average outage duration that any given customer would experience. CAIDI can also be viewed as the average restoration time.

$$\text{CAIDI} = \frac{\text{sum of all customer interruption durations}}{\text{total number of customer interruptions}} = \frac{\text{SAIDI}}{\text{SAIFI}}$$

CAIDI is measured in units of time, often minutes or hours. It is usually measured over the course of a year, and according to IEEE Standard 1366-1998 the median value for North American utilities is approximately 1.36 hours.

The System Average Interruption Frequency Index (**SAIFI**) is commonly used as a reliability indicator by electric power utilities. SAIFI is the average number of interruptions that a customer would experience, and is calculated as

$$\text{SAIFI} = \frac{\text{total number of customer interruptions}}{\text{total number of customers served}}$$

SAIFI is measured in units of interruptions per customer. It is usually measured over the course of a year, and according to IEEE Standard 1366-1998 the median value for North American utilities is approximately 1.10 interruptions per customer.