

Record of Minutes

Colorado 31 Larimer

Poudre Valley Rural Electric Association, Inc.

May 31, 2011

President Jack R. Schneider called the meeting to order at 9:05 a.m. All eleven directors were present. Also attending were CEO Robert B. Gaskill, Chief Financial/Operating Officer Jeff Wadsworth, Human Resources and Safety Manager Duane Ziller, Member Services and External Affairs Manager Myles Jensen, and Attorneys Randolph Starr and Michael Westbrook. Also Craig Harrison with Niobrara Energy Park and Darrell Burkhart a member from the Wellington area attended the meeting.

There being no further business to come before the April 26, 2011, meeting of the Board, upon motion duly made, seconded and unanimously carried the meeting was adjourned.

President Schneider called the regular May Board meeting to order.

Changes to the Agenda were made by President Schneider as follows: Item 15A add review and consideration of action on the proposed changes in the Tariffs, Rules and Regulations of the Association; and 15B consideration of a resolution in support of NISP project; and move 20B on Member Matters Board Policies to June and move 20C Employee Matters to July. [09:06]

President Schneider asked for comment from the public. Mr. Darrell Burkhart commented on the line extension rebate program of the Association; and he generally asked for an extension of the time for a rebate. [09:16]

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

1. Minutes of the Board Meeting on April 26, 2011.
2. Work Order Form 219 (#810-04-11) in the amount of \$286,170.37.
3. Construction contracts for May, 2011 on the list given to the Board prior to the meeting.
4. Estate capital credits discounted payment for April in the amount of: \$18,038.34 on the list given to the Board prior to the meeting. [09:16]

Additional information was distributed by CEO Gaskill prior to the meeting. [09:22]

At this time Craig Harrison gave a presentation about the Niobrara Energy Park development that he is leading. [09:49] Mr. Harrison left the Board room; and further discussion about the project and electric service ensued. [09:57]

CF/OO Wadsworth gave a verbal and PowerPoint® report on various financial matters. Questions were asked by members of the Board and answered by Mr. Wadsworth. Upon motion duly made, seconded and unanimously carried the financial report was accepted. [10:12]

CF/OO Wadsworth presented management's proposal for retirement of accrued capital credits. A written presentation was given to the Board prior to the meeting. Upon motion duly made, seconded and unanimously carried the retirement to members of the Association of the allocated patronage capital in accordance with the Articles of Incorporation, Bylaws, Policies, Rules and Regulations of the Association in the amount of \$2,200,000 [\$1,100,000 from 1998 and 1999 and \$1,100,000 from 2010] as shown on the materials provided to the Board during the meeting. [10:25]

CEO Gaskill gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. Lengthy discussion about the Tri-State rate increase ensued. [10:45]

CF/OO Wadsworth gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [10:51]

Manager Ziller gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [10:53]

Manager Jensen gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [10:59]

Upon motion duly made, seconded and unanimously carried the management reports were accepted. [10:59]

The written safety report of May 11, 2011, had been 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. [11:07]

Attorney Starr had a short status report on damage claims. He also reported on a recent Colorado Supreme Court case decision. [11:17]

CEO Gaskill reported on the status of (Agenda Item 13): A) update on the Association's AMI project~with input by Manager Jensen [11:42]; B) review of comments made by members at the four Rate Design Member Information Meetings~with input by Manager Jensen [11:56].

At this time the regular luncheon break was taken. [reconvene at 12:37]

Discussion continued on: B) review of comments made by members at the four Rate Design Member Information Meetings [12:44]; C) update on large projects and other inquiries by CF/OO Wadsworth [13:02]; and review of information on AMI meter installation [13:12]; and D) review of various Administrative and Team Member Policies and Procedures included in the materials sent to the Board prior to the meeting. [13:15]

Discussion ensued about NISP [Northern Colorado Water Conservancy District's Northern Integrated Supply Project] and its effect on the Association. No action was taken. Management will follow up on the discussion regarding what the Association's Board may do. [13:15]

CEO Gaskill discussed the Alabama Electric Cooperatives' Employee relief request for support. Upon motion duly made, seconded and unanimously carried the Association will contribute \$1,000.00 to the Alabama Electric Cooperative Employee relief fund. [13:33]

Director Michie reported on the Bylaws Revision Committee's meeting held prior to the Board meeting. A few minor changes were discussed and approved by the Committee; and the proposed changes will be brought to the June Board meeting for action. [13:36]

Director Michie reported on Tri-State matters. A written report on Tri-State had been distributed prior to the meeting. [13:40]

President Schneider reported on CREA matters. A written report on CREA had been distributed prior to the meeting. [13:45]

At this time the meeting was recessed and the Board reconvened in the Anderson Room for the public hearing on the proposed rate Tariff changes. During the presentation director Johnson left the Board room. Attorney Westbrook left the hearing at its conclusion. [15:35]

At this time the Board meeting was reconvened in the Board room. [15:49]

Director Lock reported on WUESC matters. A written report on WUESC had been distributed prior to the meeting. [15:57]

A review of Article 1 Board Policies—General Overview occurred. Suggestions for change were made by Board members. The changes were noted by CEO Gaskill and he will see that the changes are brought to the next Board meeting for action. At this time the managers, except CF/OO Wadsworth, left the Board room. [16:06]

Other past and upcoming meetings were discussed: NRECA Legislative Conference in Washington, D.C. May 1 to 4; PVREA Rate meetings on May 10 [Berthoud], May 12 [Evans], May 17 [Headquarters], and May 19 [Red Feather]; CoBank Energy Conference June 8 to 10 in Colorado Springs; and CFC Forum 2011 June 13 to 15 in San Francisco; and PVREA Board meeting June 28. [16:10] Manager Jensen reentered the Board room and discussed whether to do a reception for local elected officials; and the consensus of the Board was to schedule a reception prior to the June 28 Board meeting at 7:30 a.m. At this time Manager Jensen left the Board room. [16:33] At this time director Johnson reentered the Board room.

After discussion the Board took the following actions [Agenda Item 15A]: Upon motion duly made, seconded and unanimously carried the changes to the Tariffs, Rules and Regulations of the Association as presented by management and as published to the members were adopted. [17:00] At this time CF/OO Wadsworth left the Board room.

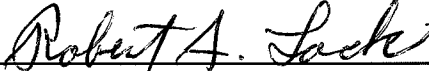
Each of the Board members, the CEO and the attorney reported on the contents of their respective expense billing sheets. Upon motion duly made, seconded and unanimously carried, the director, attorney and CEO reports were approved. [17:07]

Discussion ensued about member correspondence. [17:08]

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 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. [17:08]

A motion to exit the executive session was made, seconded and unanimously carried. [17:16]

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting was recessed until the regular Board meeting on **June 28, 2011**. [16:14]



Robert A. Lock – Secretary

ATTEST:



Jack R. Schneider – President

NOTE: The 2011 Board meeting dates have been set as follows: June 28, 2011, July 26, 2011, August 4 strategic planning session at 8:00 a.m., August 30, 2011, September 27, 2011, October 31, 2011, November 29, 2011, and December 20, 2011.