

Record of Minutes

Colorado 31 Larimer

Poudre Valley Rural Electric Association, Inc.

June 28, 2011

President Jack R. Schneider called the meeting to order at 9:54 a.m. [Late start due to Government Officials Appreciation Breakfast.] Ten of the eleven directors were present, being Jack R. Schneider, Thaine J. Michie, Robert A. Lock, James Fender, Keith Croonquist, Georglyn Diehl, Rick Johnson, James Park, Jan Peterson and Ronald Sutherland. Director Roger Alexander will be attending later. Also attending were CEO Robert B. Gaskill, Chief Financial/Operating Officer Jeff Wadsworth, Human Resources & Safety Manager Duane Ziller, and Attorneys Randolph W. Starr and Michael A. Westbrook. Also in attending were members John Weins and Ms. Knoll.

There being no further business to come before the May 31, 2011, meeting of the Board, upon motion duly made, seconded and unanimously carried the meeting was adjourned.

President Schneider called the regular June Board meeting to order.

Changes to the Agenda were made by President Schneider as follows:
Add a grant opportunity under Agenda Item 22. [09:55]

President Schneider asked for comment from the public. There were no comments made from the public. [09:56]

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 May 31, 2011.
2. Work Order Form 219 (#811-05-11) in the amount of \$104,639.92.
3. Construction contracts for May, 2011 on the list given to the Board prior to the meeting [none].
4. Estate capital credits discounted payment for January in the amount of: \$-0- on the list given to the Board prior to the meeting. [09:57]

Additional information was distributed by CEO Gaskill prior to the meeting. Member Services and External Affairs Manager Myles Jensen entered the Board room during the presentation. [10:00]

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. [10:10]

CF/OO Wadsworth gave a verbal and PowerPoint® report on an analysis of the cost of delivery of monthly information to the Board. Questions were asked by members of the Board and answered by Mr. Wadsworth. [10:25]

CF/OO Wadsworth gave a verbal and PowerPoint® report on an analysis of the current line extension policy of the Association. Management proposed to keep the five year refund option or to consider removing the refund option all together; and to consider removing the facility charge on developer lots since the policy has run its course. Questions were asked by members of the Board and answered by Mr. Wadsworth. A motion was made and approved on a majority vote to accept the recommendations of management and keep the five year refund. A motion was made and unanimously approved to accept the recommendations of management and remove the facility charge on developer lots effective July 1, 2011. [10:52]

CEO Gaskill gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. Lengthy discussion ensued about the proposed Tri-State rate design change and rate increase. [11:17]

Manager Ziller gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [11:18]

Manager Jensen gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [11:23]

CF/OO Wadsworth gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [11:26]

Upon motion duly made, seconded and unanimously carried the management reports were accepted. [11:26]

The written safety report of June 7, 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. [11:36]

Attorney Starr had a short status report on damage claims. He also reported on recent developments regarding a claim in a patent matter related to WLAN use. [11:43]

CEO Gaskill reported on the status of (Agenda Item 12): A) update on the Association's AMI project~with input by Manager Jensen. He distributed a one page sheet entitled: "Automated Metering Infrastructure Position Statement."

Management will prepare a proposed statement of position regarding its smart metering and automated metering system. During the discussion director Alexander entered the Board room [11:56]; B); update on large projects and other inquiries by CF/OO Wadsworth. [12:03]. At this time Attorney Westbrook left the meeting. At this time Mr. Weins and Ms. Knoll left the Board room.

At this time the regular luncheon break was taken. [reconvene at 12:47]

Director Michie reported on the Bylaw Revision Committee's minor changes that were contained in the materials sent to the Board prior to the meeting. Attorney Starr presented a survey he had conducted about the bylaw provisions of other Colorado electric cooperatives regarding how changes in bylaws are accomplished. The changes were discussed. A motion was made and seconded to make the following changes to the Bylaws:

1. Section 2.05: change "Election and Credentials Committee" to "Election Supervisory Committee" in two places.
2. Section 2.05: change "three business days" to "ten calendar days".
3. Section 2.09: renumber 2.09.05 "Election of Directors" to 2.09.04 and renumber subsequent sections.

Discussion about the process for amending the bylaws ensued. The motion carried unanimously. A motion was made to change "250" to "5% of the Members" in Section 10.01.01 of the Bylaws. The motion died for lack of a second. No further action on Article 10.00 "Amendments" was taken. Discussion ensued about the provisions on the reduction in size of the Board. [13:16]

Director Michie reported on the Policy Revision Committee's minor changes that were contained in the materials sent to the Board prior to the meeting. The changes were discussed. Upon motion duly made, seconded and unanimously carried, changes to the Board Policies 1.01 [with additional deleted language], 1.02, 1.03 contained in the material sent to the Board prior to the meeting were made. [13:35]

A review of Article 2 Board Policies—Member Matters 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. During the discussion President Schneider left the Board room. Vice-President Michie then chaired the meeting. [13:49]

Discussion ensued about a resolution of support for the NISP [Northern Integrated Supply Project] of the Northern Colorado Water Conservancy District. CEO Gaskill discussed his gathering of information in favor and in opposition to the project since the last Board meeting. He recommended that no position be taken by the Association. Discussion ensued among the Board members about whether to take a position on this issue. A motion was made to not take a position on the NISP project. The motion died for lack of a second. [14:04]

Director Michie reported on Tri-State matters. A written report on Tri-State had been distributed prior to the meeting. A video clip of the Glen Beck show with CEO Ken Anderson highlighted was shown. [14:10]

Director Lock reported on WUESC matters. A written report on WUESC had been distributed prior to the meeting. [14:13] At this time the staff, except Mr. Wadsworth, left the Board room.

A written report on CREA had been distributed prior to the meeting. [14:13]

Upon motion duly made, seconded and carried the President was designated as delegate and the Vice-President was designated as the alternate to the NRECA Region VII meeting, the CFC District 7 meeting and the Federated Region VII meetings to be held in Denver on October 11-13. [14:15]

Other past and upcoming meetings were discussed: CoBank Energy Conference June 8 to 10 in Colorado Springs; CFC Forum 2011 June 13 to 15 in San Francisco; PVREA Board meeting July 26; PVREA Board meeting on strategic planning on August 4; and NRECA Region VII meeting in Denver on October 11 to 13. [14:37]

Director Peterson discussed application by him for a grant from DOE to NREL for a solar garden project. [14:48]

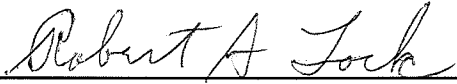
Upon motion duly made, seconded and unanimously carried the Board entered executive session to consider documents or testimony given in confidence generally relating to the impact on certain customers of the proposed Tri-State rate design and rate increase. No action was taken by the Board to make final policy decisions or adopt or approve any resolution, rule, regulation, or formal action, any contract, or any action calling for the payment of money. [14:48] During the discussion President Schneider reentered the Board room.

A motion to exit the executive session was made, seconded and unanimously carried. [15:26]

Each of the Board members and the CEO reported on the contents of their respective expense billing sheets. Upon motion duly made, seconded and unanimously carried, the director and CEO reports were approved. [15:30]


Discussion ensued about member correspondence. [15:34]

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 **July 26, 2011**. [15:34]



Robert A. Lock – Secretary

ATTEST:



Jack R. Schneider – President

NOTE: The 2011 Board meeting dates have been set as follows: 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.