

## Record of Minutes

### Colorado 31 Larimer

#### Poudre Valley Rural Electric Association, Inc.

July 20, 2010

President Jack R. Schneider called the meeting to order at 9:49 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 Attorney Randolph Starr and Attorney Westbrook. A trip to ICE Energy' manufacturing facility in Windsor was conducted for the Board prior to the meeting.

There being no further business to come before the June 30, 2010, meeting of the Board, upon motion duly made, seconded and unanimously carried the meeting was adjourned.

President Schneider called the regular July Board meeting to order.

Changes to the Agenda were made by President Schneider as follows: Add 12C Board Resolution for refinancing of CFC loans and 20 C Board Capital Credit Committee report on use of unclaimed capital credits. [09:51]

President Schneider asked for comment from the public, and there was no comment. [09:51]

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 June 30, 2010.
2. Work Order Form 219 (#800-06-10) in the amount of \$3,740,243.28.
3. Construction contracts for July 2010 on the list given to the Board prior to the meeting.
4. Estate capital credits discounted payment for June in the amount of: \$14,837.49 on the list given to the Board prior to the meeting. [09:51]

Additional information was distributed by CEO Gaskill in addition to information provided to the Board prior to the meeting. [09:53]

CFO 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. [10:13]

Manager Ziller gave a verbal and PowerPoint® report on the Driving-Space and Visibility 10 point checklist. [10:23]

Manager Wadsworth gave a verbal and PowerPoint® report on the Balance Performance Scorecard. [10:51]

Manager Jensen gave a verbal and PowerPoint® report on the Touchstone Energy® Cooperative Connections discount card. [11:13]

CEO Gaskill gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [11:24]

Manager Jensen gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [11:27]

CFO Wadsworth gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [11:30]

Manager Stanton gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [11:41]

Manager Ziller gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [11:42]

Manager Byrne gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [11:50]

Upon motion duly made, seconded and unanimously carried the management reports were accepted. [11:50]

The written safety report of July 7, 2010, 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. [11:59]

CEO Gaskill reported on the status of: A) update on the Association's AMI project~with additional input from Manager Jensen [12:11].

At this time the regular luncheon break was taken. At this time director Anderson left the Board room. [reconvene at 12:47]

CEO Gaskill continued his report on the status of: B) update on the Front Range Energy, PRESYS Energy Group and Association demonstration project~with additional input from Manager Byrne [12:50]; C) update on the transfer of transmission assets to Tri-State [12:55]; D) net metering/distributed generation policies and tariffs [12:56]; E) Proposed Member information meeting / open

house [13:09]; F) review of upcoming Boulder (Director Lock), Larimer (Director Hole) and Weld (Director Diehl) County Junior Livestock sales [13:11].

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

A(1). This Item was moved on the Agenda to Item 21 [13:12]

A(2). Approve unanimously the minor change to Policy 4.11 Voting and Elections as presented to the Board prior to the meeting. At this time the Managers left the Board room except CFO Wadsworth. [13:18]

B. Took no action on any resolution regarding the upcoming vote on Amendment 60 and 61 and Proposition 101. [13:27]

C. Approved unanimously the following resolution regarding refinancing by CFC of RUS indebtedness:

RESOLVED, that the Cooperative apply to borrow from National Rural Utilities Cooperative Finance Corporation ("CFC") , from time to time as determined by the persons designated by the board of directors of the Cooperative, an aggregate amount not to exceed \$8,141,000.00, and purchase with general funds a Capital Certificate, if required, in an amount not to exceed the amount set forth in the loan agreement with CFC governing such loan, in such form as the officers authorized herein may negotiate with CFC (the "Loan Agreement");

RESOLVED, that the proceeds of this loan be used to refinance certain of the Cooperative's existing indebtedness with its other lenders;

RESOLVED, that the individuals listed below are hereby authorized to execute and deliver to CFC the following documents:

- (a) as many counterparts as shall be deemed advisable of a loan agreement, in such form as the officers authorized herein may negotiate with CFC;
- (b) one or more secured promissory notes payable to the order of CFC, which in the aggregate shall not exceed the principal amount of \$8,141,000.00, in such form as the officers authorized herein may negotiate with CFC; and
- (c) if required by CFC, an amended, restated or supplemental mortgage, security agreement and financing statement with CFC and the United States of America as mortgagees for purposes of securing the loan provided for herein, in such form as the officers authorized herein may negotiate with CFC.

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the Cooperative to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to make all payments, to execute any future amendments to said loan agreement as such individual may deem appropriate within the amount of the promissory notes so

authorized herein and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

<u>Title or Office</u>	<u>Name (typed or printed)</u>
<u>President</u>	<u>Jack R. Schneider</u>
<u>Chief Executive Officer</u>	<u>Robert B. Gaskill</u>
<u>Chief Financial Officer</u>	<u>Jeffrey Wadsworth</u>

RESOLVED, that and each of the following individuals be, and each of them is, authorized in the name and on behalf of the Cooperative, to execute and deliver the Amendment Documents (including any non-material amendments) in substantially the forms presented to this meeting, and to execute and deliver all such other instruments and do all such other acts as in the opinion of such individual(s) acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions.

<u>Title or Office</u>	<u>Name (typed or printed)</u>
<u>President</u>	<u>Jack R. Schneider</u>
<u>Chief Executive Officer</u>	<u>Robert B. Gaskill</u>
<u>Chief Financial Officer</u>	<u>Jeffrey Wadsworth</u>

[13:33]

Attorney Starr had no report. [13:34]

Director Lock reported on WUESC matters. A written report on WUESC had been distributed prior to the meeting. [13:36]

Director Schneider reported on CREA matters. A written report on CREA had been distributed prior to the meeting. [13:37]

Director Michie reported on Tri-State matters. A written report on Tri-State had been distributed prior to the meeting. [13:50]

Other past and upcoming meetings were discussed: Board Meeting on Cost of Service Study on July 23 at 8:30 a.m.; Board meeting August 31; NRECA Region VII October 20-21; and RMEL September 12-14. [13:58]

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. [14:02]

Other industry issues and correspondence were discussed. [14:10]

A discussion about dates for strategic planning meeting dates ensued. September 2, 2010, at 8:30 a.m. in the Board room was set as the date and time of the meeting. President Schneider had previously appointed a Bylaw Revision Committee: Croonquist, Michie, Lock and Hole. The date of the first meeting of

the Bylaw Revision Committee will be on Monday, August 2, 2010 at 8:30 a.m. in the Board room. [14:18]

CFO Wadsworth made a presentation about the use and disposition of unclaimed capital credits. Notes of the Committee meeting held yesterday had been distributed to the Board at the beginning of the Board meeting. Discussion about the current provisions of the disposition of the unclaimed capital credits ensued. After discussion by the Board, upon motion duly made, seconded and unanimously carried the recommendations of the Committee as outlined in the Notes of the Committee meeting was approved. [14:30]

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 members, employee and attorney 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. [14:30]

A motion to exit the executive session was made, seconded and unanimously carried. [15:41]

Upon motion duly made, seconded and carried the changes to Board Policy 4.08~Director Emeritus [with changes to the provisions of Section 1.03.02] as written by Director Michie was approved on a majority vote with Director Alexander dissenting. [15:44]

President Schneider appointed Directors Diehl and Lock to the Labor Negotiations Committee; and he will also serve on the Committee. [15:45]

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 **August 31, 2010**. [15:45]

---

Robert A. Lock – Secretary

ATTEST:

---

Jack R. Schneider – President

NOTE: The 2010 Board meeting dates have been set as follows: August 31, 2010, September 28, 2010, October 26, 2010, November 30, 2010, and December 21, 2010.