

## Poudre Valley REA Holds 72nd Annual Meeting



CEO Brad Gaskill

In case you missed it, I wanted to recap your Annual Meeting. The meeting was held on Saturday, March 26, 2011 with approximately 1,400 members and guests in attendance at the Embassy Suites Conference Center in Loveland. Attendees were served a sit down breakfast, heard reports on the association's 2010

business operations and received presentations from guest speaker Ken Reif, General Counsel with Tri-State Generation and Transmission Association, and keynote speaker Marty Blake, Principle with The Prime Group, LLC.

President Jack Schneider reported the association's annual meeting is a time that reaffirms not only are the member's part owners of PVREA but, also, PVREA is a part of each member. President Schneider reminded the member/owners the cooperative was founded and operates on purely democratic principles and for 72 years the members have come together to bring the benefits of electricity to the most rural and remote places at an affordable cost, something the investor-owned companies would not do.

Secretary-Treasurer Bob Lock reported the association finished 2010 in strong financial shape and met all our lender requirements. PVREA's year-end operating margins totaled approximately \$840,000 with total margins of \$7.6 million to be allocated back to the membership. Mr. Lock also reported the association returned more than \$2.1 million in patronage capital credit payments to current and former members in 2010.

In my report, I discussed the challenges created by a slow recovery of the economy combined with the loss of more than 600 residential services through the City of Fort Collins annexation of a portion of our service territory. I also discussed the challenge of cost uncertainty we continue to face as a result of Congress failing to act on a national energy and climate change policy. In addition I discussed our continued efforts to help improve the lives of our members through our smart meter project, energy efficiency and conservation programs and rebates as well as our recent introduction of the Co-op

Connections Card. I reported on our partnership with the Northern Colorado Water Conservancy District to purchase 100% of the renewable electricity that will be generated from Northern's 2.6 megawatt hydro-power plant on Carter Lake starting in the summer of 2012.

I also touched base on your board and management team's effort in working with a consultant over several months to develop a proposed new residential rate design that is fair, more accurately recovers our cost of service and more effectively ensures the future financial strength of your association. The association will be holding regional member information meetings, see page 9, throughout our service territory during the month of May to present the study findings, review the proposed rate design changes and solicit member comments and questions.

Ken Reif gave a brief update on the activities and challenges of PVREA's wholesale power supplier, Tri-State Generation and Transmission Association. Ken reported Tri-State is faced with new Clean Air Act regulations being enforced by the Environmental Protection Agency (EPA) that have the potential of significantly increasing members' electric rates. Tri-State also continues to see long delays in getting new transmission lines sited and built because of lengthy regulatory and legal battles during the permitting process. Ken informed the membership Tri-State will keep all fuel source options on the table in their resource planning process to develop new generation, including clean-coal, natural gas, nuclear and renewables.

Keynote speaker Marty Blake gave an informative and educational presentation on the association's 2010 Cost of Service and Rate Design Study. Mr. Blake explained the fixed and variable cost components of a residential monthly electric bill and described what parts of the association's monthly operating costs should be collected through the two components, the facilities charge and the energy charge, of the bill. He also showed the potential negative financial impacts on the association when a large percentage of the association's fixed costs are being collected through the variable component, energy sales, rather than the fixed component, facilities charge.

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Keynote speaker Marty Blake addresses the membership (left).

Grand Prize winners of an Apple iPad tablet computer, Kim and Randy Martin, are congratulated by President Schneider (below).

The Rocky Mountain Raptor Center was only one of the many interesting exhibits at the annual meeting (bottom).



Jack Schneider



James Park



Robert Lock



Jan Peterson

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Director elections were held to fill four director positions. The successful candidates were Robert “Bob” Lock, District B, Position B-1, Boulder County; Jan Peterson, District L, Position L-1, Larimer County; Jim Park, District W, Position W-2, Weld County and Jack Schneider, District W, Position W-3, Weld County.

Following the membership meeting, the board held a brief business meeting. Jack Schneider was elected to serve as president; Thaine Michie was elected to serve as vice-president; Bob Lock was elected to serve as secretary-treasurer and Jim Fender was elected to serve as assistant secretary-treasurer. In addition Thaine Michie was selected to represent PVREA on the Tri-State board of directors; Jack Schneider was selected to represent PVREA on the Colorado Rural Electric Association board and Bob Lock was selected to represent PVREA on the Western United Electric Supply Corporation board. All of the annual meeting reports can be found and viewed on PVREA’s recently updated website at [www.pvrea.com](http://www.pvrea.com).

In closing, on behalf of the members; directors and team members, I wish to thank retiring director Dean Anderson for his 27 years of dedicated service to PVREA. During his tenure, Dean served as the President, Vice President and Secretary-Treasurer. During his 27 years on the board, he spent many hours conducting the business of the Association. His knowledge and experience will be missed. We wish Dean and his family good luck in retirement!

I look forward to visiting with you again.

*Brad Gaskill*

CEO, Poudre Valley Rural Electric Association

“I’m grateful to the membership for their support and pledge to work hard to keep our electricity reliable and affordable,” said Board President Jack Schneider upon hearing the election results.

Jim Park commented, “The agriculture community is facing increased production costs. I will continue to hold fast to my basic belief that keeping electric service at an affordable level is most important.”

“I would like to thank the membership of PVREA for allowing me to continue serving them as a director,” said Bob Lock. “PVREA is one of the best co-ops in the country and we are headed in the right direction.”

“I plan to learn all I can, as fast as I can, and make some positive proposals to help move the co-op in a direction that will benefit all of its membership,” remarked Jan Peterson.



## May NEWS

### Rate Design Meetings This Month

Poudre Valley REA will hold regional member information meetings, see schedule below, throughout our service territory during the month of May to present findings from the Cost of Service and Rate Design Study, review the proposed rate changes and solicit member comments and questions.

#### Public Meeting Schedule

##### May 10th

Berthoud Fire Protection Dist. 248 Welch Ave. Berthoud  
(Next to Fire District Bldg on Mountain Ave.)

##### May 12th

Evans Recreation Center – 1100 37th Street, Evans

##### May 17th

PVREA Office, Anderson Rm, 7649 REA Pkwy. Ft. Collins

##### May 19th

Red Feather Lakes, Property Owners Association Building,  
58 Fire House Lane, Red Feather Lakes

All meetings start at 6:00 p.m. and end by 8:00 p.m.

### Election Results for PVREA Board of Directors

The 72nd Annual Meeting of the Poudre Valley Rural Electric Association was held on Saturday, March 26 at the Embassy Suites Hotel and Conference Center in Loveland. Election for four seats on the 11 member Board of Directors and other business of the co-op was conducted. 590 members of the association were present and total attendance was 1,400+. Reports on the state of the association's finances and operations were delivered and results of the election for board of directors were tabulated and announced.

Election results released by the independent firm of Survey & Ballot Systems that conducted the balloting are as follows: Eligible voters, 29,860. Total returns, 4,718. District B, Position B-1, Boulder County; Robert A Lock, 2,623, Steve Szabo, 1,967. District L, Position L-1, Larimer County; Jan Peterson, 2,767, James A. Nutt, 1,799. District W, Position W-2, Weld County; James W. Park, 3,874, District W, Position W-3 Jack R. Schneider, 3,804

#### NOTICE OF A CHANGE IN THE TARIFFS, RULES AND REGULATIONS OF POUDDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.

You are hereby notified that Poudre Valley Rural Electric Association, Inc. (PVREA) proposes to change the Association's Tariffs, Rules and Regulations to become effective for electric billings rendered on or after July 1, 2011.

During the past year, PVREA hired a utility rate expert to conduct a Cost of Service and Rate Design Study (Study). The Study is a confidential tool used by utilities to help determine what it actually costs to serve each consumer based on rate classes such as residential, commercial or industrial. The Study findings recommend that your Board and management develop and implement a new rate structure for the Residential and all of the other classes of service. Since receiving the Study results your Board and management have been working together to determine how much and over what period of time to adjust the facilities charge and energy rate particularly of the Residential rate class. Examples of the proposed changes are given below.

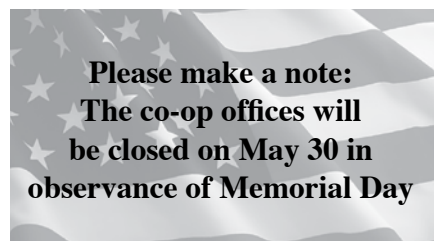
On May 31, 2011 at 2:00 p.m. PVREA will hold a public forum concerning these proposed changes at the Association's headquarters, 7649 REA Pkwy, Ft. Collins, CO 80528. This forum is open to all members, consumers, indirect users and the public. At the conclusion of the public forum the Board of Directors will deliberate and make a final decision about the proposed changes to the tariffs, rules and regulations. Anyone who desires to complain about the proposed changes shall file a written complaint with the Association at 7649 REA Parkway, or at PO Box 272550, Ft. Collins, CO 80527-2550 no later than May 23, 2011 under the Rules and Regulations of the Association. Final decisions by the Board of Directors regarding any written complaint may be appealed to the Public Utilities Commission.

Following is a synopsis of the changes. A copy of the complete Tariffs, Rules and Regulations is available for inspection at the PVREA headquarters office during normal business hours or on the PVREA website: [www.pvrea.com/members/2010\\_rules\\_and\\_regulations.pdf](http://www.pvrea.com/members/2010_rules_and_regulations.pdf).

Robert A. Lock  
Secretary  
Poudre Valley REA

### Are You A Winner?

If you find your name in this month's issue call 970-282-6422 to collect your prize.





## Unclaimed Capital Credits

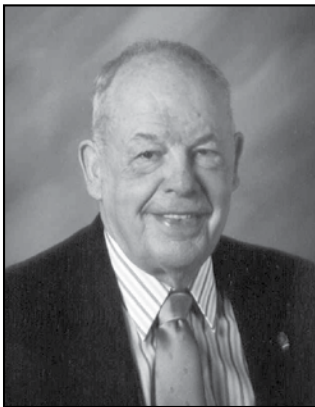
Poudre Valley REA is a consumer-owned co-op. Because PVREA operates on a non-profit basis, any margins (profits) are allocated to each member in proportion to their patronage, or how much revenue they provided. These funds are called capital credits and are held in the member's name until the board of directors determines that the association's financial condition will allow retirement. In 2010 the Poudre Valley Rural Electric Association board of directors approved the retirement of \$2.1 million of allocated capital credits (profits) from 1998 and 2009. Consumers who received service from Poudre Valley REA in those years, and accumulated allocated margins of \$25 or more, received a check in the mail in late September.

Every year there are some of these checks that are returned to us because the Post Office could not deliver them for a variety of reasons. When this happens we try, again, to locate the consumers who have credits coming. One way we do this is by printing a list of all of the people with unclaimed capital credits in the newspaper. This list is a special insert in the papers and will be published this month. I urge you to check the insert for your name or the names of friends who may have moved. If you see someone you

recognize, give our Customer Service Representatives a call at 970-226-1234 or 800-432-1012.

Perhaps it's unusual for a utility to send checks to its consumers but that's one of the things that makes an electric cooperative different from investor-owned companies. We are not in the business of making a profit. The welfare of our members is our primary concern. So, at a time when economic conditions are tough, your association is working very hard to hold the line on costs and, in the true spirit of cooperative ownership, is returning a part of your equity investment in the association back to you.

The refund of margins (profits) to consumers is one difference that sets cooperatives apart from investor-owned utilities. Because our first concern is the best interests of every member our emphasis is on providing the highest level of service at the lowest possible price. We bring electricity to homes and ranches where for-profit companies refused to go and do it with exceptional service and affordable rates.



## Director Dean Anderson Retires from Board

After 27 years of service to the membership of Poudre Valley REA, Dean Anderson has retired from the Board of Directors.

"My time on the board was very enjoyable and, also, at times very hard work," said Mr. Anderson. "Today the co-op is strong because everyone on the board works together, shares their diverse opinions and helps each other in arriving at decisions. All in all, it was a great and rewarding experience."

A PVREA member since 1962, Dean has been a long-time cattleman and rancher from his home near Berthoud. He is a graduate of Loveland High School and attended the University of Colorado. He has been married to his wife, Betty, for sixty years and they have two grown children, five grandchildren and five great grandchildren.

"During the nine years I worked with Dean on the board I came to greatly respect his knowledge of PVREA and co-ops in general," said Board President Jack Schneider. "I learned quickly that Dean didn't say a lot, sometimes, but when he did speak it was always well thought out and worth hearing. I will miss his contributions very much."

During his tenure on the Board of Directors, Dean held every office, including President, and received the NRECA's board certification for directors. He also represented PVREA on the Colorado Rural Electric Association board and served on Little Thompson Water District's board for 35 years. (Winner: Andrea Schwader)

His good friend, and fellow board member, Jim Park, said of Dean, "I first became acquainted with Dean Anderson on the Carter Lake Filter Plant board. Dean was a member of the Little Thompson Water District Board and I served on the Central Weld County Water District Board. Little Thompson and Central Weld co-own the Carter Lake Filter Plant. When I became a board member of Poudre Valley REA, Dean was serving as President and was the only familiar face to me. He answered my every question and helped me learn the electric utility ropes. Dean's twenty-seven years of experience on the PVREA board has helped guide the Association to remain financially sound and efficient in providing electricity to our service area. His dedication and knowledge of the utility business will be greatly missed. Dean, we extend a resounding thank you for all you have done for Poudre Valley REA and your fellow board members wish you and Betty well."

It is a sentiment shared by all of us here at the co-op.