

# RECORD OF MINUTES

Colorado 31 Larimer

Poudre Valley Rural Electric Association, Inc.

July 30, 2019

Vice Chair Rickey D. Johnson called the meeting to order at 8:59 a.m. in the Board Room. Seven of the nine directors were present in person, being Rickey D. Johnson, James F. Fender, Bryan D. Ehrlich, Ronald G. Sutherland, Jack R. Schneider, Thaine J. Michie, and Jan K. Peterson; and Steven D. Anderson and Peter C. Hyland were absent. Also attending were President and CEO Jeffrey Wadsworth, Vice President, CFO and Treasurer Lisa Wright, Vice President and COO John Bowerfind, and Vice President of Member and Government Relations David White; and General Legal Counsel Randolph W. Starr.

**Agenda Item 1—Call the Meeting to Order:** Vice Chair Johnson called the July 30, 2019, Board meeting to order.

**Agenda Item 2—Pledge of Allegiance:** Vice Chair Johnson led the pledge of allegiance to the flag. [09:00]

**Agenda Item 3—Additions to Agenda:** Additional subject matters were added to the agenda. Two additions to Agenda Item 9C were made: CEO review and FFA. [09:00]

**Agenda Item 4—Public Participation:** Vice Chair Johnson asked for comment from the public. No comments were made as there was no member of the public present. [09:00]

**Agenda Item 5—Items for Review and Consideration of Approval:** Upon motion duly made, seconded and unanimously carried, the following matters were adopted and approved by the Board, except for Item C:

A. Minutes of the Board Meeting on June 25, 2019.

B. Estate capital credits discounted payment for June 2019 in the total amount of: \$11,695.10. [9:00]

Discussion ensued about the issuance of a Notice of Intention to Tri-State. President and CEO Wadsworth gave a verbal explanation of the reasons to issue the Notice to Tri-State. Comments were made by Board members. Upon motion duly made, seconded and unanimously carried, the following Resolution was unanimously adopted and approved by the Board:

C. Notice of Intention to Become A Partial Requirements Member of Tri-State.  
**WHEREAS**, Tri-State Generation and Transmission Association, Inc. (“Tri-State”) adopted Amended and Restated Bylaws on April 3, 2019, which permit Tri-State to form different classes of membership, including a partial requirements membership classification; and

**WHEREAS**, Poudre Valley Rural Electric Association, Inc. (“PVREA”) has determined that it is in the best interests of its member-consumers to explore whether it should convert its current membership in Tri-State to a partial requirements membership; and

**WHEREAS**, pursuant to the Amended and Restated Bylaws, PVREA is providing Tri-State with this “Notice of Intention to Become a Partial Requirements Member” (the “Notice”) which will facilitate PVREA’s exploration of the wholesale power markets and its conduct of due diligence so that it can make a decision whether or not to convert its membership in Tri-State from an all requirements membership to a partial requirements membership; and

**WHEREAS**, consistent with its provision of the Notice, PVREA will seek a Market Access Letter from Tri-State which will facilitate PVREA’s evaluation of the wholesale power markets; and

**WHEREAS**, if PVREA subsequently determines to convert its Tri-State membership to a partial requirements membership, it will assume responsibility for independently arranging for power supply resources needed to meet the native load requirements of its member-consumers that exceed purchases of electric power from Tri-State;

**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF POUDDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC**, that the Board authorizes and approves this Notice of Intention to Become a Partial Requirements Member of Tri-State.

**RESOLVED, FURTHER**, the President and Chief Executive Officer is hereby authorized, empowered and directed, for and on behalf of PVREA, to obtain a Market Access Letter from Tri-State.

**RESOLVED FURTHER**, that the President and Chief Executive Officer is hereby authorized, empowered, and directed, for and on behalf of PVREA, to engage in due diligence, including but not limited to, the issuance of a request for information to potential third-party power suppliers and the negotiation of a partial requirements power supply contract with Tri-State.

[9:07]

**Agenda Item 6—Staff Reports / Presentations:** Staff reports were presented as follows:

**A. Safety Report:** President and CEO Wadsworth reviewed the contents of the June 26, 2019, safety report in detail. The written safety report had been sent to the Board prior to the meeting. Upon motion duly made, seconded and unanimously carried the safety report was accepted. [09:12]

**B. President~CEO and Staff Written Reports:**

President and CEO Wadsworth gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [9:47]

Vice President, CFO and Treasurer Wright gave a verbal update to her written presentation that had been sent to the Board prior to the meeting. [9:48]

Vice President and COO Bowerfind gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [9:51]

President and CEO Wadsworth gave a verbal update to Vice President Noel’s written presentation that had been sent to the Board prior to the meeting. [9:52]

Vice President White gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [10:12]

Upon motion duly made, seconded and unanimously carried the staff reports were accepted. [10:12]

A short break was taken. [10:12 to 10:22]

- C. Financial Report:** Vice President, CFO and Treasurer Wright gave a brief verbal report on financial matters for June 2019. Upon motion duly made, seconded and unanimously carried the financial report was accepted. [10:35]
- D. Strategy Map Update:** President and CEO Wadsworth, Vice President and COO Bowerfind, Vice President, CFO and Treasurer Wright, and Vice President White gave an update on the status of the extensive list of items in the Strategy Map that had been sent to the Board prior to the meeting. During the presentation Director Hyland entered the Board room. [11:14]
- E. Micro Grid Project:** Vice President White gave a verbal and visual presentation about the proposed microgrid project in the Red Feather Lakes downtown area involving the North Forty Mountain Alliance [Represents the communities of Red Feather Lakes], Glacier View, and Crystal Lakes (over 3,200 homes and businesses), “Larimer Connects” office of the Larimer County Emergency Management, Red Feather Lakes Library, Red Feather Lakes Volunteer Fire Department, and the Red Feather Lakes Community Association. A budget projection of \$320,000 may be shared ½-½ by Poudre Valley and TSGT. Questions by the Board were responded to by staff. Upon motion duly made, seconded and unanimously carried the project was approved to be carried forward by staff. [11:48]

**Agenda Item 7—Attorney Report:** Attorney Starr had no report. [11:48]

A break for lunch was taken. [11:48-12:25]

**Agenda Item 8—Director Reports / Items:**

- A. Western United Report:** Director Fender reported on WUESC matters. A written report on WUESC had been distributed prior to the meeting. [12:28]
- B. Tri-State Report:** Director Michie and President and CEO Wadsworth reported on Tri-State matters. A written report on Tri-State had been distributed prior to the meeting. [12:50]
- C. CREA Report:** Director Schneider reported on CREA matters. A written report on CREA had been distributed prior to the meeting. [12:52]
- D. Discuss CFC Forum.** Director Peterson reported on the CFC Forum that he attended. [12:57]
- E. Discuss CoBank Energy Conference.** Director Schneider reported on the CoBank Energy Conference that he attended. [13:05]
- F. Review Board Policies—Article 5: Miscellaneous Matters (5.01-5.03).** President and CEO Wadsworth presented proposed minor changes to Board Policies 5.01 to 5.03 that had been sent to the Board prior to the meeting for review. Upon motion duly made, seconded and unanimously carried, the proposed changes were adopted. [13:06] All staff members left the Board room.

**Agenda Item 9—Discussion of Utility Industry and PVREA Topics if Needed:**

- A. Member Correspondence and General Correspondence.** Various correspondence was sent to the Board prior to the meeting. [13:06]

- B. Boulder, Larimer, Weld County Livestock Sales Information. Director Hyland reported on purchases made at the Weld County sale. [13:15]
- C. Other. CEO review will occur next month. Director Fender discussed the FFA Hall of Fame. Charitable donations were discussed. President and CEO Wadsworth discussed participation in an NRECA program and seminar. [13:29]

**Agenda Item 10—Review Upcoming Events/Meeting Dates:**

- A. PVREA Member Appreciation BBQs August 15 [Lyons area] and August 21, 2019 [PVREA].
- B. PVREA Board Meeting August 27, 2019.
- C. PVREA Board Strategic Planning **September 10, 2019 [NOTE NEW DATE!]**.
- D. NRECA Region 7 & 9 Meeting September 24-26, 2019, in Spokane, WA.
- E. CREA Fall Meeting October 25-29, 2019, in Denver. [13:36]

**Agenda Item 11—Consideration of Delegate Designations.**

A. NRECA, CFC, Federated, NiSC at Region VII / IX Meeting:

MEETING	DELEGATE	ALTERNATE
CFC Regional Meeting	Peterson	Ehrlich
Federated Regional Meeting	Peterson	Ehrlich
NRECA Regional Meeting	Peterson	Ehrlich
NiSC Regional Meeting	Peterson	Ehrlich

**Agenda Item 12—Consider Board, Attorney and President~CEO’s Expenses:** Each of the Board members, legal counsel and the President and CEO reported on the contents of their respective expense billing sheets as reported. Upon motion duly made, seconded and unanimously carried, the director, President and CEO and legal expense reports were approved. [13:39]

**Agenda Item 13—Executive Session if Needed:** None. [13:39]

**Agenda Item 13—Adjourn:** There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting was adjourned. The next regular Board meeting will be held on **August 27, 2019**. [13:39]

  
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 James F. Fender, Secretary

ATTEST:

  
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 Steven D. Anderson, Chair

**NOTE: The 2019 Board meeting dates have been set as follows: August 27, 2019, [Board Strategic Planning September 10], September 23, 2019, October 24, 2019, November 21, 2019, and December 19, 2019.**

**The 2020 Annual Meeting of Members is Saturday, April 4, 2020, at the Embassy Suites in Loveland.**