

RECORD OF MINUTES

Colorado 31 Larimer

Poudre Valley Rural Electric Association, Inc.

October 27, 2020

Chair Steven D. Anderson called the meeting to order at 9:00 a.m. in the J. Arthur Anderson Room at the Association's headquarters office and by hosting a Zoom electronic voice meeting room. Eight of the nine directors were present in the room, being Steven D. Anderson, Rickey D. Johnson, James F. Fender, Ronald G. Sutherland, Jack R. Schneider, Thaine J. Michie, Bryan D. Ehrlich, and Jan K. Peterson; and director Peter C. Hyland was present on the telephone. Also attending in person was President and CEO Jeffrey C. Wadsworth and General Legal Counsel Randolph W. Starr; with Vice President; and CFO and Treasurer Lisa Wright, Vice President and COO John Bowerfind, Vice President of Member and Government Relations Amy Rosier, Vice President of Technology and Energy Resources Josh Noel, and Safety Director Ben Ludington, via conference call along with general legal counsel Michael A. Westbrook. On the conference call was also Steve Szabo and Stan Sugden of Vestas.

As a result of the novel coronavirus COVID-19, a state of emergency has been declared by Colorado's Governor and the President of the United States. A notice of this meeting was issued, and provision was made for electronic participation in the meeting as required by law of members, consumers, and news media.

Agenda Item 1—Call the Meeting to Order: Chair Anderson called the October 27, 2020, Board meeting to order.

Agenda Item 2—Roll Call. Each board member answered the roll call, and a quorum was present in person. [09:00]

Agenda Item 3—Pledge of Allegiance: Attorney Starr led the Pledge of Allegiance. [9:00]

Agenda Item 4—Additions to Agenda: Additional subject matters were added to the agenda. Add Employee support resolution to Item 6E. [09:00]

Agenda Item 5—Public Participation: Mr. Szabo made comments in addition to the written comments that had been furnished to the board prior to the meeting. Director Michie and President and CEO Wadsworth responded to questions of Mr. Szabo. Mr. Sugden made short comments and he will monitor the meeting. [09:09]

Agenda Item 6—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:

A. Minutes of the Board Meeting on September 22, 2020.

B. Estate capital credits Retirements: discounted payment for September 2020 in the total amount of \$ -0-.

C. Employee Dependent Care Plan Resolution.

Poudre Valley Rural Electric Association, Inc.
Fort Collins, CO No. 06031
Subgroups 001 & 005

WHEREAS, Poudre Valley Rural Electric Association, Inc. (the “Employer”) sponsors the 125 Plan, which is a cafeteria plan under Section 125 of the Internal Revenue Code of 1986, as amended (“Code”), that provides one or more of the following benefits: a premium-only plan that allows employees to pay for insurance premiums on a pre-tax basis, a health flexible spending account under Section 105 of the Code, a dependent care assistance program under Section 129 of the Code, a limited-use health flexible spending account under Section 105 of the Code; a cash benefit option that allows employees to receive cash in lieu of health benefits, and/or a health savings account benefit plan that allows employees to fund HSA contributions on a pre-tax basis;

WHEREAS, the 125 Plan is administered by Cooperative Benefit Administrators, Inc. (“CBA”), a subsidiary of the National Rural Electric Cooperative Association (“NRECA”);

WHEREAS, NRECA determined that the 125 Plan, as previously amended and restated January 1, 2015, as administered by CBA, shall be amended and restated, effective as of January 1, 2021; and

NOW, THEREFORE, BE IT RESOLVED, that management officers of the Employer are authorized and directed to take any and all actions required to implement and administer the 125 Plan, including without limitation execution of a plan document or plan amendment, as applicable.

D. CFC Loan Resolution.

RESOLVED, that the Cooperative 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 \$40,000,000.00, as set forth in the loan agreement with CFC governing such loan, substantially in the form of the loan agreement presented to this meeting (the “Loan Agreement”); and

RESOLVED, that the proceeds of this loan be used for the purpose set forth in the Loan Agreement; and

RESOLVED, that the individuals listed below are hereby authorized to execute and to deliver to CFC the following documents (including as many counterparts as may be required):

- a) the Loan Agreement;
- b) one or more secured promissory notes payable to the order of CFC, which in the aggregate shall not exceed the principal amount of \$40,000,000.00, substantially in the form of the notes presented to this meeting; and
- c) a mortgage and security agreement with CFC as mortgagee, for purposes of securing the loan provided for herein, substantially in the form of the mortgage presented to this meeting.

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 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>Office or Title</u>	<u>Name (typed or printed)</u>
PRESIDENT AND CEO	JEFFREY C. WADSWORTH
VICE PRESIDENT AND CFO	LISA WRIGHT

E. Employee support Resolution.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
POUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC.
OCTOBER 27, 2020**

WHEREAS, on August 13, 2020 the Cameron Peak Fire ignited near Cameron Pass and Chambers Lake and spread quickly into our service territory.

WHEREAS, on October 17, 2020 the CalWood Fire ignited near Jamestown and spread quickly into our service territory.

WHEREAS, Poudre Valley REA's members and mountain communities have been adversely impacted by both fire events.

WHEREAS, these fires caused the loss of power to a portion of our members and damage to equipment and facilities.

WHEREAS, the mission of Poudre Valley REA is to provide to our members safe, reliable, efficient energy solutions with exceptional service.

WHEREAS, in the hours following both fires, Poudre Valley REA's employees faithfully and with honor, integrity and great distinction delivered on Poudre Valley REA's promise to its members by maintaining exceptional service standards in the face of unprecedented adversity brought on by the fires.

WHEREAS, Poudre Valley REA employees, working together as a team, went above and beyond the call of duty and demonstrated exceptional commitment to getting our members' power back on and damaged equipment repaired or replaced while paying close attention to the danger involved.

WHEREAS, the employees of Poudre Valley REA were able to complete the restoration work without any accidents or injuries.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF POUUDRE VALLEY RURAL ELECTRIC ASSOCIATION, INC., as result of these recitations, the Board of Directors extends its support of the employees' efforts and this resolution formally extends the Board of Directors' profound appreciation to all Poudre Valley REA's employees for their distinguished service to Poudre Valley REA and its members during these difficult times. [09:10]

Agenda Item 7—Staff Reports / Presentations: Staff reports were presented as follows:

A. Safety Report: Safety Director Ben Ludington reviewed the contents of the September 23, 2020 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. [09:11]

B. President~CEO and Staff Written Reports:

a. President and CEO Wadsworth gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. Mr. Wadsworth discussed planning for the local wildfires that are in place today [Cameron Peak, CalWood, Lefthand and East Troublesome]. Mr. Bowerfind made additional comments about ongoing restoration work. [09:47]

b. 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. [09:51]

c. Vice President and COO Bowerfind gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [09:53]

d. Vice President Noel gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [09:54]

e. Vice President Rosier gave a verbal update to her written presentation that had been sent to the Board prior to the meeting. [09:57]

Upon motion duly made, seconded, and unanimously carried the staff reports were accepted. [09:57] A short break was taken. [09:57 to 10:07]

- C. Financial Report:** Vice President, CFO and Treasurer Wright gave a brief verbal report on financial matters for September 2020. President and CEO Wadsworth responded to questions about costs related to the wildfires. FEMA funding reimbursement will not be pursued. Upon motion duly made, seconded, and unanimously carried the financial report was accepted. [10:18]
- D. Vision 2020 Strategy Map Update:** President and CEO Wadsworth and other staff members presented a verbal report on the written Vision Strategy Map for 2020. Questions posed by board members were answered by Mr. Wadsworth and staff members. [10:25]
- E. 2021-2023 Strategy Map Update.** President and CEO Wadsworth and other staff members presented a verbal report on the written Strategy Map for 2021 to 2023. Questions posed by board members were answered by Mr. Wadsworth and staff members. [11:36]
- F. KRTA Overview.** Vice President, CFO and Treasurer Wright gave a verbal report on selected ratios from the CFC KRTA analysis that had been furnished to the Board prior to the meeting. Ms. Wright responded to questions from the Board members. Mr. Wadsworth made additional comments. [11:55]
A lunch break was taken. [11:55 to 12:30]

Agenda Item 8—Attorney Report: Mr. Starr and Mr. Westbrook had no additional comments in addition to the matters that had already been discussed. [12:30]

Agenda Item 9—Director Reports / Items:

- A. Western United Report:** Director Hyland reported on WUESC matters. A written report on WUESC had been distributed prior to the meeting. [12:32]
- B. Tri-State Report:** Director Michie, with input by President and CEO Wadsworth, reported on Tri-State matters. A written report on Tri-State had been distributed prior to the meeting. [12:54]
- C. CREA Report:** Director Schneider reported on CREA matters. No CREA Board meeting had been held since the September Board meeting. A virtual meeting will be held this coming Friday. A written report on CREA had been distributed prior to the meeting. President and CEO Wadsworth made additional comments about 2021 legislation. [13:19]
- D. Discuss NRECA (through CREA) BLC and CCD Courses Attended:** Discussion about the Board Leadership and Credentialed Director courses of NRECA was held by directors who attended the sessions. [13:35]
- E. Discuss NRECA Region VII / IX Meeting:** Those members who attended the online meeting made comments about the meeting and the resolutions that were adopted. [13:42]
- F. Audit Committee:** The members of the Audit Committee [Steve Anderson, Bryan Ehrlich, Pete Hyland, Rick Johnson, Jan Peterson] will meet before the board meeting at 8:00 a.m. on December 17, 2020. [13:43]
- G. PVREA Board of Directors 2021 Meeting Schedule:** A list of proposed Board meeting dates for the Board of Directors meeting was distributed prior to the meeting. The meetings will be held in virtual format until Governor Polis rescinds or modifies the limitations on meeting size. The meeting schedule was approved by consensus with a change to March 24, 2021. [13:50]

Agenda Item 10—Discussion of Utility Industry and PVREA Topics if Needed:

- A. Member Correspondence and General Correspondence. Director Peterson commented on correspondence about a high bill issue, and directors discussed the situation. Staff will handle the matter.
- B. Other. [13:573]

Agenda Item 11—Review Upcoming Events/Meeting Dates:

- A. Basin Electric Power Cooperative Annual Member Meeting November 3-5, Bismarck, ND—online.
- B. NRECA Colorado Membership Meeting November 6, online.
- C. PVREA Board Meeting November 19—in person for board and online.
- D. Mid-West Electric Consumers Association Annual Meeting December 7-10, Grand Hyatt, Denver—online.
- E. PVREA Board Meeting December 17—in person for board and online. [13:59]

Agenda Item 12—Consideration of Delegate Designations:

- A. Basin Electric and Mid-West Electric.

MEETING	DELEGATE	ALTERNATE
Midwest Electric Consumers Association Meeting	Johnson	Peterson
Basin Electric Power Association Annual Member Meeting	Anderson	Fender

[13:59]

Agenda Item 13—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 directors, President and CEO and legal expense reports were approved. [14:05]

Agenda Item 14—Executive Session if Needed: Upon motion duly made, seconded and unanimously carried the Board entered executive session to consider documents or testimony given in confidence generally relating to a partial requirements contract with Tri-State. All staff members and members of the public left the telephone conversation except Messrs. Noel, Bowerfind, and Westbrook. 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. A motion was made to exit the executive session and it was seconded and unanimously carried. [14:34]

Agenda Item 15—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 **Tuesday, November 19, 2020, at 9:00 a.m. Depending on the status of the COVID-19 public health orders in effect at the time, then a virtual meeting may be held. If recrudescence of**

COVID-19 causes new public health orders to be issued, then notice will be given about any necessary changes in the conduct of the meeting. [14:34]

James F. Fender, Secretary

ATTEST:

Steven D. Anderson, Chair

The 2020 Board meeting dates have been set as follows:

- November 19 Thursday
- December 17 Thursday

Colorado's Governor has issued an Order Implementing Safer At Home Requirements. The Association conducts an essential business, and it has implemented the requirements of the Order and the order of the Larimer County Health Department in place at this time.

Board Meeting Dates in 2021-Final—virtual until further notice
January 26, 2021
February 25, 2021
March 24, 2021
April 17 reorganization meeting after the Annual Meeting; April 27, 2021 regular board meeting
May 25, 2021
June 29, 2021
July 27, 2021
August 31, 2021
September 15—Strategic Planning September 23, 2021 regular board meeting
October 26, 2021
November 30, 2021
December 16, 2021