

RECORD OF MINUTES

Colorado 31 Larimer

Poudre Valley Rural Electric Association, Inc.

December 19, 2023

Chair Jack R. Schneider called the meeting to order at 9:05 a.m. Eight of the nine directors were present in the J. Arthur Anderson Room of the Association's headquarters, being Jack R. Schneider, Ronald G. Sutherland, Rick D. Johnson, Thaine J. Michie, Steven D. Anderson, Peter C. Hyland, Bryan D. Ehrlich, and Jan K. Peterson. Sheryl Dryer Henderson was absent. Also attending in person were President and CEO Jeffrey C. Wadsworth; Vice President, CFO and Treasurer Amy Mahon; Executive Vice President, Engineering and Grid Advancement John Bowerfind; Vice President, Member and Government Relations Amy Rosier; and Vice President, Technology and Energy Resources Josh Noel; along with General Legal Counsel Randolph W. Starr and Michael A. Westbrook. Notice of this meeting was issued as required by law and the bylaws.

Agenda Item 1—Call the Meeting to Order: Chair Schneider called the December 19, 2023, 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: Director Anderson led the Pledge of Allegiance. [09:00]

Agenda Item 4—Additions to Agenda: Additional subject matters were added to the agenda. None. [09:05]

Agenda Item 5—Public Participation: Chair Schneider and President and CEO Wadsworth had received no written comments made by members prior to the meeting. [09:05]

Agenda Item 6—Items for Review and Consideration of Approval: After questions were responded to by President and CEO Wadsworth, 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 November 28, 2023.
- B. Estate Capital Credit Retirements: discounted payment for November 2023 in the total amount of \$ 12,013.99.

C. Recommended 2024 Budget:

The 2024 Budget reflects management's objective to meet the needs of PVREA's current and future members. This budget reflects staff's best estimate of required revenues, expenses, and capital outlay to implement efficient work practices and procedures with a continued focus on technology and strategy implementation.

PVREA anticipates a 6.8% increase in our wholesale power cost, which makes up 80% of our total expenses. While this is a challenge, PVREA will utilize our rate stabilization fund while implementing a 5.09% rate increase over the next three years. PVREA members will see a 1.73% general rate increase in the 2024 budget. Furthermore, over the past four years PVREA members have seen a cumulative 0.3% rate increase, allowing PVREA to be sitting in the #1 spot for the lowest residential rate in the state of Colorado.

This budget document is organized to represent detailed revenues, major expenses, and capital categories. An individual budget by department has been provided to outline the major items addressed within each of the respective areas.

This budget supports the Board of Directors' financial policy, promotes PVREA's mission, maintains our values, and provides the necessary resources to meet our strategic objectives. The budget is based on PVREA's historical financial data, market condition assumptions, and financial forecasting. We continue to focus on our load factor, which is a major component of determining our revenue requirements, creating both risks and opportunities to our budgeted margins. A few of the budget highlights:

- Wholesale power cost has 6.8% increase.
- Approximately 1.73% general rate increase, first of a three-year plan.
- \$4.7MM utilization of our Rate Stabilization Fund.
- Slower but continued growth in Residential, Small Commercial, and Large Power classes.
- Continued growth to our demand side management, while including the necessary resources to research alternative energy options and the financial capacity to implement the options approved by the board.
- 95 positions budgeted for in 2024.

The Executive Team is confident that the 2024 budget efficiently and fairly represents the recovery of wholesale power costs, operations, and maintenance expenses, including employee staffing levels, benefits, and wage adjustments. The budget provides for adequate investments in capital equipment, as well as funding for facilities/construction projects needed to maintain or improve organizational operations and system reliability, while maintaining acceptable operating margins.

The budget will preserve the Association's financial position and ensures our members will continue to receive significant value from their ownership in PVREA.

[Discussion by President and CEO Wadsworth occurred.] A motion was duly made, seconded, and unanimously carried, to approve the 2024 Budget, as presented. [09:17]

- D. Appointment of Independent Third Party to Oversee the Receiving, Storage and County of Director Election Ballots: Survey & Ballot Systems.
- E. Appointment of an Election Supervisory Committee to Oversee the Director Election and Voting Process: Matt Fiala, Survey & Ballot Systems, Mike Westbrook, Starr & Westbrook, and Amy Rosier, Vice President, Member & Government Relations. [09:07]

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

- A. **Safety Report:** Executive Vice President, Engineering and Grid Advancement John Bowerfind reviewed the contents of the November 29, 2023, safety report with the Board. Questions from the Board members were addressed and answered by Mr. Bowerfind. Upon motion duly made, seconded, and unanimously carried, the safety report was accepted. [9:21]
- 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. Comments were given by Mr. Wadsworth about Tri-State matters and Director Michie made additional comments. [10:10]
 - b. Executive Vice President, Engineering and Grid Advancement Bowerfind gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [10:13]
 - c. Executive Vice President, Engineering and Grid Advancement Bowerfind gave a verbal update to the written Operations presentation that had been sent to the Board prior to the meeting. [10:13]
 - d. Vice President, Technology and Energy Resources Noel gave a verbal update to his written presentation that had been sent to the Board prior to the meeting. [10:15]
 - e. Vice President, Member and Government Relations Rosier gave a verbal update to her written presentation that had been sent to the Board prior to the meeting. [10:16]
 - f. Vice President, CFO and Treasurer Mahon gave a verbal update to her written presentation that had been sent to the Board prior to the meeting. [10:17]

Questions from the Board members were addressed and answered by staff. Upon motion duly made, seconded, and unanimously carried, the staff reports were accepted. [10:17] A break was taken. [10:17-10:29]

- C. **Financial Report:** Vice President, CFO and Treasurer Mahon with input by President and CEO Wadsworth, gave a verbal update to her report on financial

matters for November 2023. Questions posed by Board members were answered by Vice President Mahon and President and CEO Wadsworth. Upon motion duly made, seconded, and unanimously carried, the financial report was accepted. [10:31]

- D. Annual Report on Record Management:** President and CEO Wadsworth presented the annual report on record management that was distributed to the Board prior to the meeting. Questions posed by Board members were answered by staff. Upon motion duly made, seconded, and unanimously carried the record management report was accepted. [10:35]

Agenda Item 8—Attorney Report: Attorney Starr gave a report about the primary responsibility for general legal services being shifted from him to Mike Westbrook along with some historical information about the Association. [10:47]

Agenda Item 9—Director Reports / Items:

- A. Western United Report:** Director Hyland reported on WUESC matters. A written report on WUESC was distributed prior to the meeting. [10:48]
- B. Tri-State Report:** Director Michie reported on Tri-State matters, and he responded to questions from the Board members. President and CEO Wadsworth gave additional comments. A written report on Tri-State had been distributed prior to the meeting. [11:06]
- C. CREA Report:** Chair Schneider, with input from President and CEO Wadsworth, reported on CREA matters and they responded to questions from Board members. A written report on CREA was distributed prior to the meeting. [11:09]
- D. Mid-West Electric Annual Meeting:** Board members who attended the meeting [Ehrlich & Peterson] reported on the meeting. [11:27]

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

- A.** Member Correspondence and General Correspondence. Discussion ensued.
- B.** Other. [11:27]

Agenda Item 11—Review Upcoming Events/Meeting Dates:

- A.** PVREA Board Meeting – January 30, 2024.
- B.** CREA Annual Meeting – January 31 to February 3, 2024.
- C.** Board Field Trip to Tri-State – February 20, 2024.
- D.** NRECA Annual Meeting - March 3 to March 6, 2024. [11:28]

Agenda Item 12—Consideration of Delegate Designation: Upon motion duly made, seconded, and unanimously carried, the following delegates and alternates to the following meetings were approved:

MEETING	DELEGATE	ALTERNATE
NRECA Director Election	Ehrlich	Hyland
NRECA Annual Meeting	Michie	Ehrlich
NISC Annual Meeting	Michie	Ehrlich
NRTC Annual Meeting	Michie	Ehrlich

CFC Annual Meeting	Michie	Ehrlich
Federated Rural Electric Annual Meeting	Michie	Ehrlich
CREA Annual Meeting	Ehrlich	Hyland
Western United Annual Meeting	Hyland	Ehrlich

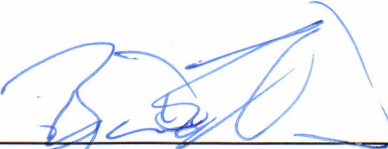
[11:33]

Agenda Item 13—Consider Board, Attorney and President-CEO's

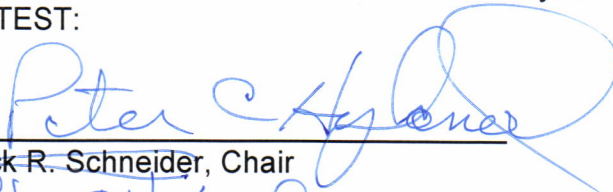
Expenses: Each of the Board members, legal counsel and the President and CEO reported on the contents of their respective expense billing sheets as reported. Upon motion duly made, seconded, and unanimously carried, the directors, President and CEO and legal expense reports were approved. [11:36]

Agenda Item 14—Executive Session if Needed: None. [11:36]

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, January 30, 2024, at 9:00 a.m.** [11:36]


Bryan D. Ehrlich, Secretary

ATTEST:


Jack R. Schneider, Chair
Peter C. Hyland

Poudre Valley REA Board Meeting Schedule for 2024
January 30, 2024 – Tuesday
February 27, 2024 – Tuesday
March 26, 2024 – Tuesday
April 6, 2023 – Saturday-Reorganization meeting after the Annual Meeting
April 30, 2024 – Tuesday
May 28, 2024 – Tuesday
June 25, 2024 – Tuesday
July 30, 2024 – Tuesday
August 27, 2024 – Tuesday
September 19, 2024 – Thursday
October 23, 2024 – Wednesday
November 21, 2024 – Thursday
December 19, 2024 – Thursday