

RECORD OF MINUTES

Colorado 31 Larimer

Poudre Valley Rural Electric Association, Inc.

December 19, 2024

Chair Peter C. Hyland called the meeting to order at 8:59 a.m. All nine directors were present in the J. Arthur Anderson Room of the Association's headquarters, being Peter C. Hyland, Jack R. Schneider, Ronald G. Sutherland, Rick D. Johnson, Thaine J. Michie, Steven D. Anderson, Bryan D. Ehrlich, Sheryl Dryer Henderson, and Jan K. Peterson. 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; Vice President, Technology and Energy Resources Josh Noel, and Vice President, Safety and Human Resources Michelle Perzee along with General Legal Counsel 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 Hyland called the December 19, 2024, Board meeting to order.

Agenda Item 2—Roll Call. Each Board member answered the roll call, and a quorum was present in person. [9:00]

Agenda Item 3—Pledge of Allegiance: Vice President, Technology and Energy Resources Noel led the Pledge of Allegiance. [9:00]

Agenda Item 4—Additions to Agenda: Additional subject matters were added to the agenda. None. [9:00]

Agenda Item 5—Public Participation: Chair Hyland and President and CEO Wadsworth had received no written comments made by members prior to the meeting. No members or others were present in person. [9:00]

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 November 21, 2024 Board Meeting.
- B. Estate Capital Credit Retirements: discounted payment for November 2024 in the total amount of \$8,825.91.
- C. Recommended 2025 Budget:
The 2025 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 no increase in our wholesale power cost, which makes up 84% of our total operating expenses. PVREA will utilize our rate stabilization fund while implementing the second year of a 5% rate increase over 2024, 2025 and 2026. PVREA members will see a 1.76% general rate increase in the 2025 budget. Furthermore, over the past five years PVREA members have seen a cumulative 2% rate increase, allowing PVREA to have the lowest retail rates 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 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 no increase.
- Approximately 1.76% general rate increase, second of a three-year plan.
- \$2.9MM utilization of our Rate Stabilization Fund.
- Continued growth in Residential, Small Commercial, and Large Power classes, with a decrease to our Industrial class.
- 96 positions budgeted for in 2025, compared to 95 in 2024.

The Executive Team is confident that the 2025 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.

- D. Item D was removed from Agenda Item 6 and considered separately.
- E. Appointment of Independent Third Party to Oversee the Receiving, Storage and Counting of Director Election Ballots: Survey & Ballot Systems.
- F. Appointment of an Election Supervisory Committee to Oversee the Director Election and Voting Process: Matt Fiala, Survey & Ballot Systems, Mike Westbrook, Starr & Westbrook P.C., and Amy Rosier, Vice President, Member & Government Relations. [09:01]

Item D – Board Policy 4.11 Directors Fees and Expenses. Board discussion occurred on the proposed changes to Board Policy 4.11. Upon motion duly made, seconded, and unanimously carried, Board Policy 4.11 was amended as presented with the additional amendment to Subsection 1.04 to allow the Directors to attend six industry related meetings. [9:09]

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

A. Safety Report: Vice President, Safety and Human Resources Perzee reviewed the contents of the December 2, 2024, safety report with the Board. Upon motion duly made, seconded, and unanimously carried, the safety report was accepted. [9:11]

B. President~CEO and Staff Written Reports:

1. 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 safety performance, wildfire matters, Tri-State matters, FERC matters, BYOR matters, and employee matters. [9:57]
2. 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. [10:01]
3. Executive Vice President, Engineering and Grid Advancement Bowerfind gave a verbal update to the Operations written presentation that had been sent to the Board prior to the meeting. [10:04]
4. 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. [10:09]
5. 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. [10:12]
6. 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. [10:13]

Questions from the Board members were addressed and answered by staff. Upon motion duly made, seconded, and unanimously carried, the staff reports were accepted. [10:13] A break was taken [10:13–10:24]

C. Financial Report: Vice President, CFO and Treasurer Mahon gave a verbal update to her report on financial matters for November 2024. Questions posed by Board members were answered by Vice President Mahon with input from President and CEO Wadsworth. Upon motion duly made, seconded, and unanimously carried, the financial report was accepted. [10:38]

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. [10:42]

E. Accounting 101: Vice President, CFO and Treasurer Mahon gave a verbal report to supplement the written presentation that had been sent to the Board prior to the meeting on Accounting 101. Questions posed by Board members

were answered by Vice President Mahon with input from President and CEO Wadsworth. [11:34]

Agenda Item 8—Attorney Report: No report. [11:34]

Agenda Item 9—Director Reports / Items:

- A. Western United Report:** Chair Hyland reported on WUESC matters. A written report on WUESC was distributed prior to the meeting. [11:36]
- B. Tri-State Report:** Director Michie reported on Tri-State matters, and he responded to questions from the Board members. President and CEO Wadsworth provided additional comments. A written report on Tri-State had been distributed prior to the meeting. [11:57]
- C. CREA Report:** Director Schneider reported on CREA matters, and he responded to questions from Board members. A written report on CREA was distributed prior to the meeting. [12:07]
- D. Mid-West Electric Annual Meeting:** Board members who attended the meeting reported on the meeting. [12:25]
- E. Bylaws – Articles 3 through 10:** Attorney Westbrook reviewed Article 3 through Article 10 of the Bylaws with the Board. The Board discussed the Bylaws and possible amendments to Articles 3 through 10. Board action on any Bylaw amendments will occur at the January 2025 Board meeting. [12:30] A break for lunch was taken. [12:30-12:57]

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

- A. Member Correspondence and General Correspondence.**
- B. Other.** The January Board meeting is moved to January 21, 2025 and the April Board meeting is moved to April 22, 2025. [12:59]

Agenda Item 11—Review Upcoming Events/Meeting Dates:

- A. PVREA Christmas Party – December 19, 2024**
- B. PVREA Board Meeting – January 21, 2025 [note new date]**
- C. NRECA Directors Conference – January 26 -28, 2025**
- D. CREA Annual Meeting – February 8 -11, 2025**
- E. NRECA Annual Meeting – March 9 -12, 2025 [13:04]**

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
CREA Annual Meeting	Ehrlich	Hyland
Western United Annual Meeting	Hyland	Johnson
NRECA Annual Meeting	Ehrlich	Peterson
NISC Annual Meeting	Ehrlich	Peterson
NRTC Annual Meeting	Ehrlich	Peterson
CFC Annual Meeting	Ehrlich	Peterson
Federated Rural Electric Annual Meeting	Ehrlich	Peterson

[13:07]

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. [13:09]

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 power supply matters and negotiation matters. Director Michie left the meeting during the executive session. 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. [14:27]

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 21, 2025, at 9:00 a.m.** [14:27]

ATTEST:

Peter C. Hyland, Chair

Thaine J. Michie, Secretary

Poudre Valley REA Board Meeting Schedule for 2025
January 21, 2025 – Tuesday and Audit Committee meeting during lunch
February 25, 2025 - Tuesday
March 25, 2025 – Tuesday
April 5, 2025 – Saturday-Reorganization meeting after the Annual Meeting
April 22, 2025 – Tuesday
May 27, 2025 – Tuesday
June 24, 2025 – Tuesday
July 24, 2025 – Thursday
August 26, 2025 – Tuesday
September 9-10, 2025 – Tuesday-Wednesday, Strategic Planning Meeting
September 30, 2025 - Tuesday
October 28, 2025 - Tuesday
November 20, 2025 - Thursday
December 18, 2025 - Thursday